

**City of Horseshoe Bay**  
**City Council Meeting Agenda**  
**Monday, July 17, 2017 at 9:00 AM**  
**City Hall, 1 Community Drive, Horseshoe Bay, Texas**

**1. Call the Meeting to Order and Establish a Quorum**

Mayor and City Council Members

Mayor Steve Jordan  
Mayor Pro Tem Craig Haydon  
Council Member Cynthia Clinesmith  
Council Member Kent Graham  
Council Member Jerry Gray  
Council Member Reagan Lambert

**2. Public Hearing Items**

*Discuss, Consider and Possibly Take Action Regarding:*

- A. Public Hearing on the Proposed Annexation of the Following Properties Into the City of Horseshoe Bay City Limits: 1) 15.294 Acres, Llano County Property ID 12371-M. Putman Abstract #587 – as more fully described in deeds recorded in Volume 196, Page 1034 and Volume 196, Page 1043, both in the Official Public Records of Llano County, Texas (Green); 2) 15.296 Acres, Llano County – J. Bratton Abstract #37 – as more fully described in deed recorded in Volume 1546, Page 1230, Official Public Records of Llano County, Texas (Dillon); 3) 34.545 Acres, Llano County Property ID 10541 – N. Mendez Abstract #506 – as more fully described in deed recorded in Volume 527, Page 321, Official Public Records of Llano County, Texas (Salem)

**3. Business**

*Discuss, Consider and Possibly Take Action Regarding:*

A. FY 2018 Budget Workshop

1. General Information
2. Staff Comments (Operational Maintenance Budget only)
  - a. Introduction/Administration - Stan Farmer
  - b. Utility Operations - Jeff Koska
  - c. Police Department - Rocky Wardlow
  - d. Fire Department - Joe Morris
  - e. Development Services - Eric Winter
  - f. Finance - Kristen Woolley
  - g. Technical Services - Jules Martin and Coleen Sullivan
  - h. Public Works - Tim Foran
  - i. Health Care Benefits Update - Vicki Briggs
3. 5-Year Capital Improvement/Needs Assessment Plan
  - a. Utility Operations - Jeff Koska
  - b. Police Department - Rocky Wardlow
  - c. Fire Department - Joe Morris
  - d. Street Projects - Tim Foran

e. Pickle Ball Court - Stan Farmer

f. Debt Funding Discussion - Jennifer Douglas (Financial Advisor)


4. Meeting Schedule

B. Merit Compensation Adjustments

C. Propose Tax Rate

**4. Adjourn**

*All agenda items listed above are eligible for discussion and action unless otherwise specifically noted. Notice is posted in accordance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated. I certify that the above notice of meeting was posted at City of Horseshoe Bay City Hall and website, [www.horseshoe-bay-tx.gov](http://www.horseshoe-bay-tx.gov), on the 14<sup>th</sup> of July, 2017 at 12:00 PM.*

  
Kerri Craig, City Secretary

*This facility is wheelchair accessible. Accessible parking spaces are available. Requests for auxiliary aids and services must be made two business days prior to this meeting by calling 830-598-9943 or emailing [kcraig@horseshoe-bay-tx.gov](mailto:kcraig@horseshoe-bay-tx.gov).*



# CITY OF HORSESHOE BAY

JULY 18, 2017

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**To:** Mayor and City Council

**Thru:** Stan R. Farmer, City Manager

**Re:** Public Hearing on the Proposed Annexation of the Following Properties Into the City of Horseshoe Bay City Limits: 1) 15.294 Acres, Llano County Property ID 12371-M. Putman Abstract #587 – as more fully described in deeds recorded in Volume 196, Page 1034 and Volume 196, Page 1043, both in the Official Public Records of Llano County, Texas (Green); 2) 15.296 Acres, Llano County – J. Bratton Abstract #37 – as more fully described in deed recorded in Volume 1546, Page 1230, Official Public Records of Llano County, Texas (Dillon); 3) 34.545 Acres, Llano County Property ID 10541 – N. Mendez Abstract #506 – as more fully described in deed recorded in Volume 527, Page 321, Official Public Records of Llano County, Texas (Salem)

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The City is required to hold two public hearings on the proposed annexation of the 3 tracts of land known as the Green tract, the Salem tract and the Dillon tract. Today is the first public hearing and tomorrow will be the second public hearing. All notices required by law have been given. Any interested party will be given three minutes to address the Council regarding these proposed annexations.

**Enclosures: 2014 Development Agreements**

STATE OF TEXAS

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COUNTY OF LLANO

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**CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE**  
**DEVELOPMENT AGREEMENT**

This Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code by and between the City of Horseshoe Bay, Texas, a Texas Home Rule Municipality (the "City") and Bobby Green and Norma Green (jointly herein referred to as the "Owner"). The term "Owner" includes all owners of the Property.

**WHEREAS**, the Owner owns that certain parcel of real property (the "Property") in Llano County, Texas, which is more particularly described as 15.294 Acres, Property ID No. 12371 – M. Putman Abstract #587;

**WHEREAS**, the City has begun the process to institute annexation proceedings on all or portions of Owner's Property and will hold two public hearings in compliance with the Texas Local Government Code;

**WHEREAS**, the Owner desires to have the Property remain in the City's extraterritorial jurisdiction, in consideration for which the Owner agrees to enter into this Agreement;

**WHEREAS**, this Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code, in order to address the desires of the Owner and the procedures of the City;

**WHEREAS**, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

**WHEREAS**, this Development Agreement is to be recorded in the Official Public Records of Llano County.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

**Section 1.** The City guarantees the continuation of the extraterritorial status of the Owner's Property, its immunity from annexation by the City, and its immunity from City property taxes, for the term of this Agreement, subject to the provisions of this Agreement. Except as provided in this Agreement, the City agrees not to annex the Property, agrees not to involuntarily institute proceedings to annex the Property, and further agrees not to include the Property in a statutory annexation plan for the Term of this Agreement. However, if the Property is annexed pursuant to the terms of this Agreement, then the City shall provide services to the Property pursuant to Chapter 43 of the Texas Local Government Code.

**Section 2.** The Owner covenants and agrees not to use the Property for any use other than for agriculture, wildlife management, and/or timber land consistent with Chapter 23 of the Texas Tax Code, without the prior written consent of the City.

The Owner covenants and agrees that the Owner will not file any type of subdivision plat or related development document for the Property with Llano County or the City until the Property has been annexed into, and zoned by, the City.

The Owner covenants and agrees not to construct, or allow to be constructed, any permanent improvements on the Property that would require a building permit if the Property were in the city limits, until the Property has been annexed into, and zoned by, the City. The Owner also covenants and agrees that the City's DR-Development Reserve zoning requirements apply to the Property, and that the Property shall be used only for DR-Development Reserve zoning uses that exist on that Property at the time of the execution of this Agreement, unless otherwise provided in this Agreement.

The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and the Owner who signs this Agreement covenants and agrees, jointly and severally, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

**Section 3.** The Owner acknowledges that if any plat or related development document is filed in violation of this Agreement, or if the Owner commences development of the Property in violation of this Agreement, then in addition to the City's other remedies, such act will constitute a petition for voluntary annexation by the Owner, and the Property will be subject to annexation at the discretion of the City Council. The Owner agrees that such annexation shall be voluntary and the Owner hereby consents to such annexation as though a petition for such annexation had been tendered by the Owner.

If annexation proceedings begin pursuant to this Section, the Owner acknowledges that this Agreement serves as an exception to Local Government Code Section 43.052, requiring a municipality to use certain statutory procedures under an annexation plan. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken in violation of Section 2 herein.

**Section 4.** Pursuant to Sections 43.035(b)(1)(B) of the Texas Local Government Code, the City is authorized to enforce all of the City's regulations and planning authority that do not materially interfere with the use of the Property for agriculture, wildlife management, or timber, in the same manner the regulations are enforced within the City's boundaries. The City states and specifically reserves its authority pursuant to Chapter 251 of the Texas Local Government Code to exercise eminent domain over property that is subject to a Chapter 43 and/or Chapter 212 development agreement.

**Section 5.** The term of this Agreement (the "Term") is three (3) years from the date that the City Manager's signature to this Agreement is acknowledged by a public notary. The Owner, and all of the Owner's heirs, successors and assigns shall be deemed to have filed a petition for voluntary annexation before the end of the Term, for annexation of the Property to be completed on or after the end of the Term. Prior to the end of the Term, the City may commence the voluntary annexation of the Property. In connection with annexation pursuant to this section, the Owners hereby waive any vested rights they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any plat or construction any of the owners may initiate during the time between the expiration of this Agreement and the institution of annexation proceedings by the City.

**Section 6.** Property annexed pursuant to this Agreement will initially be zoned in accordance with Section 14.02.006 of the City's Code of Ordinances, pending determination of the property's permanent zoning in accordance with the provisions of applicable law and the City's Code of Ordinances.

**Section 7.** Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to the City. Furthermore, the Owner and the Owner's heirs, successors, and assigns shall give the City written notice within 14 days of any change in the agricultural exemption status of the Property. A copy of either notice required by this section shall be forwarded to the City at the following address:

City of Horseshoe Bay, Texas Attn: City Manager  
#1 Community Drive, Horseshoe Bay, Texas 78657

**Section 8.** This Agreement shall run with the Property and be recorded in the Official Public Records of the county where the Property is located.

**Section 9.** If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

**Section 10.** This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter.

**Section 11.** No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

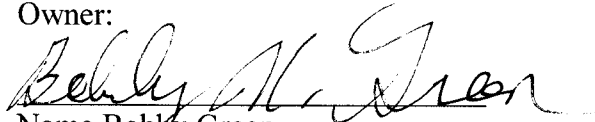
**Section 12.** Venue for this Agreement shall be in Llano County, Texas.

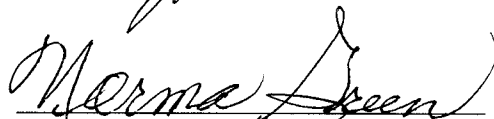
**Section 13.** This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

**Section 14.** This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 3, 4, and 5 herein.

Entered into this 17 day of April, 2014.

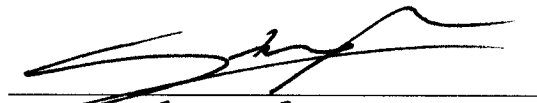
Owner:

  
Name Bobby Green

  
Name: Norma Green

City:

City of Horseshoe Bay, Texas  
A Texas home rule municipality

  
Name: Stan A. Forman  
Title: City Manager

STATE OF TEXAS           §

COUNTY OF LLANO       §

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of June, 2014, by Stan Farmer, known to me to be the City Manager of the City of Horseshoe Bay.



Teresa L. Moore

Teresa L. Moore, Notary Public  
My commission expires 09-10-15



STATE OF TEXAS

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COUNTY OF LLANO

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**CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE**  
**DEVELOPMENT AGREEMENT**

This Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code by and between the City of Horseshoe Bay, Texas, a Texas Home Rule Municipality (the "City") and Glen Salem, Trustee (the "Owner"). The term "Owner" includes all owners of the Property.

**WHEREAS**, the Owner owns that certain parcel of real property (the "Property") in Llano County, Texas, which is more particularly described as 34.045 acres, Property ID No. 10541 – N. Mendez Abstract No. 506;

**WHEREAS**, the City has begun the process to institute annexation proceedings on all or portions of Owner's Property and will hold two public hearings in compliance with the Texas Local Government Code;

**WHEREAS**, the Owner desires to have the Property remain in the City's extraterritorial jurisdiction, in consideration for which the Owner agrees to enter into this Agreement;

**WHEREAS**, this Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code, in order to address the desires of the Owner and the procedures of the City;

**WHEREAS**, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

**WHEREAS**, this Development Agreement is to be recorded in the Official Public Records of Llano County.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

**Section 1.** The City guarantees the continuation of the extraterritorial status of the Owner's Property, its immunity from annexation by the City, and its immunity from City property taxes, for the term of this Agreement, subject to the provisions of this Agreement. Except as provided in this Agreement, the City agrees not to annex the Property, agrees not to involuntarily institute proceedings to annex the Property, and further agrees not to include the Property in a statutory annexation plan for the Term of this Agreement. However, if the Property is annexed pursuant to the terms of this Agreement, then the City shall provide services to the Property pursuant to Chapter 43 of the Texas Local Government Code.

**Section 2.** The Owner covenants and agrees not to use the Property for any use other than for agriculture, wildlife management, and/or timber land consistent with Chapter 23 of the Texas Tax Code, without the prior written consent of the City.

The Owner covenants and agrees that the Owner will not file any type of subdivision plat or related development document for the Property with Llano County or the City until the Property has been annexed into, and zoned by, the City.

The Owner covenants and agrees not to construct, or allow to be constructed, any permanent improvements on the Property that would require a building permit if the Property were in the city limits, until the Property has been annexed into, and zoned by, the City. The Owner also covenants and agrees that the City's DR-Development Reserve zoning requirements apply to the Property, and that the Property shall be used only for DR-Development Reserve zoning uses that exist on that Property at the time of the execution of this Agreement, unless otherwise provided in this Agreement.

The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and the Owner who signs this Agreement covenants and agrees, jointly and severally, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

**Section 3.** The Owner acknowledges that if any plat or related development document is filed in violation of this Agreement, or if the Owner commences development of the Property in violation of this Agreement, then in addition to the City's other remedies, such act will constitute a petition for voluntary annexation by the Owner, and the Property will be subject to annexation at the discretion of the City Council. The Owner agrees that such annexation shall be voluntary and the Owner hereby consents to such annexation as though a petition for such annexation had been tendered by the Owner.

If annexation proceedings begin pursuant to this Section, the Owner acknowledges that this Agreement serves as an exception to Local Government Code Section 43.052, requiring a municipality to use certain statutory procedures under an annexation plan. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken in violation of Section 2 herein.

**Section 4.** Pursuant to Sections 43.035(b)(1)(B) of the Texas Local Government Code, the City is authorized to enforce all of the City's regulations and planning authority that do not materially interfere with the use of the Property for agriculture, wildlife management, or timber, in the same manner the regulations are enforced within the City's boundaries. The City states and specifically reserves its authority pursuant to Chapter 251 of the Texas Local Government Code to exercise eminent domain over property that is subject to a Chapter 43 and/or Chapter 212 development agreement.

**Section 5.** The term of this Agreement (the "Term") is three (3) years from the date that the City Manager's signature to this Agreement is acknowledged by a public notary. The Owner, and all of the Owner's heirs, successors and assigns shall be deemed to have filed a petition for voluntary annexation before the end of the Term, for annexation of the Property to be completed on or after the end of the Term. Prior to the end of the Term, the City may commence the voluntary annexation of the Property. In connection with annexation pursuant to this section, the Owners hereby waive any vested rights they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any plat or construction any of the owners may initiate during the time between the expiration of this Agreement and the institution of annexation proceedings by the City.

**Section 6.** Property annexed pursuant to this Agreement will initially be zoned in accordance with Section 14.02.006 of the City's Code of Ordinances, pending determination of the property's permanent zoning in accordance with the provisions of applicable law and the City's Code of Ordinances.

**Section 7.** Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to the City. Furthermore, the Owner and the Owner's heirs, successors, and assigns shall give the City written notice within 14 days of any change in the agricultural exemption status of the Property. A copy of either notice required by this section shall be forwarded to the City at the following address:

City of Horseshoe Bay, Texas Attn: City Manager  
#1 Community Drive, Horseshoe Bay, Texas 78657

**Section 8.** This Agreement shall run with the Property and be recorded in the Official Public Records of the county where the Property is located.

**Section 9.** If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

**Section 10.** This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter.

**Section 11.** No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

**Section 12.** Venue for this Agreement shall be in Llano County, Texas.

**Section 13.** This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

**Section 14.** This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 3, 4, and 5 herein.

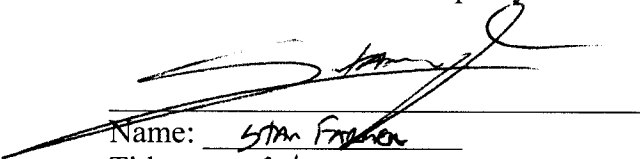
Entered into this 24 day of April, 2014.

Owner:

Glen Salem, Trustee  
Name Glen Salem, Trustee

City:

City of Horseshoe Bay, Texas  
A Texas home rule municipality

  
Name: Stan Frazier  
Title: City Manager

STATE OF TEXAS           §

COUNTY OF LLANO       §

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of June, 2014, by Stan Farmer, known to me to be the City Manager of the City of Horseshoe Bay.



Teresa L. Moore

Teresa L. Moore, Notary Public  
My commission expires 09-10-15

**BAKER & ROBERTSON**

P O BOX 718  
171 BENNEY LANE, SUITE 100  
DRIPPING SPRINGS, TEXAS 78620  
512 894-0890 FAX 512 894-0346

**Rex G. Baker, III**

email: rexbaker@bakerattorneys.com

April 3, 2014

CERTIFIED MAIL CCR 7012 1010 0000 6555 8230

Glen Salem, Trustee  
300 The Hills Road  
Horseshoe Bay, Texas 78657

Re: 34.045 acres in Llano County (the "Land")

Dear Mr. Salem,

By way of introduction, I am Rex Baker, and our firm is the City Attorney for the City of Horseshoe Bay. The City is commencing the process of annexing certain tracts of land within its extraterritorial jurisdiction. As part of that process, under the Texas Local Government Code Section 43.035, the City is required to offer development agreements to the owners of those properties that are appraised for ad valorem tax purposes as land for agricultural or wildlife management use under Subchapter C or D, Chapter 23, Texas Tax Code, or as timber land under Subchapter E.

It is the City's understanding that the Land referenced above owned by you is under such a use. Accordingly, enclosed, please find a Development Agreement that the City hereby offers to you. Please read it carefully and if you agree to abide by its terms and deliver a fully executed original to the City on or before April 25, 2014, the Land will not be annexed into the City during the term of the Development Agreement; however, the Land will be subject to (and the City will be authorized to enforce) all regulations and planning authority of the City that do not interfere with the use of the Land for agriculture, wildlife management, or timber.

If you do not deliver a fully executed original of the Development agreement to City office on or before April 25, 2014, you will be deemed to have declined to accept the Development Agreement and the City will proceed with the annexation of the Land.

If you have any questions, please feel free to contract either me at (512) 894-0890 or City Manager, Stan Farmer at (830) 598-9940. Both of us will be glad to go over any questions you may have.

Sincerely,



Rex G. Baker, III

STATE OF TEXAS

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COUNTY OF LLANO

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**CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE**  
**DEVELOPMENT AGREEMENT**

This Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code by and between the City of Horseshoe Bay, Texas, a Texas Home Rule Municipality (the "City") and Suzanne Waller Dillon (the "Owner"). The term "Owner" includes all owners of the Property.

**WHEREAS**, the Owner owns two parcels of real property (the "Property") in Llano County, Texas, which are more particularly described as (i) 0.96 Acres, Property ID No. 13813 - J. Bratton Abstract #37 and (ii) 9.04 Acres; Property ID No. 7688 - J. Bratton Abstract #39;

**WHEREAS**, the City has begun the process to institute annexation proceedings on all or portions of Owner's Property and will hold two public hearings in compliance with the Texas Local Government Code;

**WHEREAS**, the Owner desires to have the Property remain in the City's extraterritorial jurisdiction, in consideration for which the Owner agrees to enter into this Agreement;

**WHEREAS**, this Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code, in order to address the desires of the Owner and the procedures of the City;

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The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and the Owner who signs this Agreement covenants and agrees, jointly and severally, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

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**Section 6.** Property annexed pursuant to this Agreement will initially be zoned in accordance with Section 14.02.006 of the City's Code of Ordinances, pending determination of the property's permanent zoning in accordance with the provisions of applicable law and the City's Code of Ordinances.

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City of Horseshoe Bay, Texas Attn: City Manager  
#1 Community Drive, Horseshoe Bay, Texas 78657

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**Section 12.** Venue for this Agreement shall be in Llano County, Texas.

**Section 13.** This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

**Section 14.** This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 3, 4, and 5 herein.

Entered into this 15 day of April, 2014.

Owner:

Suzanne Waller Dillon  
Name: Suzanne Waller Dillon

City:

City of Horseshoe Bay, Texas

A Texas home rule municipality

  
Name: Stan Faena

Title: City Manager

STATE OF TEXAS           §

COUNTY OF LLANO       §

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of June, 2014, by Stan Farmer, known to me to be the City Manager of the City of Horseshoe Bay.



Teresa L. Moore

Teresa L. Moore, Notary Public  
My commission expires 09-10-15

## **General Information**

**By Stan R. Farmer**

**The first draft of the proposed FY18 budget had one important initial objective: Meet all needs of General Fund and Debt Service activity with a tax rate of \$0.2600. This can be accomplished, and the proposed FY18 budget does so with a balanced budget. Council will need to propose a tax rate on July 17, 2017. Once proposed, the tax rate cannot be increased. The proposed FY18 budget assumes a \$.2200 General Fund O&M rate and a Debt Service (I&S) rate of \$0.0400 for a total rate of \$0.2600.**

**There are three things of note with regards to the proposed FY18 budget. One, the current version of the proposed FY18 budget contains a conservative estimated increase in health care costs now as opposed to waiting to supply a more definitive number at the August 29, 2017 workshop. Staff has plugged in an 8% increase for health care costs as more of a placeholder exercise so Council can get a better feel in July where the budget stands.**

**Second, the current version of the proposed FY18 budget contains a 2.9% salary increase and correlating FICA and retirement data increases, once again more of a placeholder exercise so Council can get a better feel in July where the budget stands.**

**Third, the three full-time positions being asked for by Fire Chief Joe Morris have all been added to the current version of the proposed FY18 budget, once again more of a placeholder exercise so Council can get a better feel in July where the budget stands.**

**Statutorily, this year the City Manager must propose a budget no later than August 14, 2017, fifteen days before our next budget workshop on August 29, 2017. The City Manager Proposed FY18 Budget will be based on the current proposed FY18 budget and the comments and actions at the workshop on July 17, 2017. Obviously, changes can still be made before it is voted on by Council on September 19, 2017.**

**Staff looks forward to the budget discussions and appreciates the guidance, as a planning document, that the budget document provides.**

**City of Horseshoe Bay**  
**FY 2018 Proposed Budget Highlights**

THIS PROPOSED BUDGET DOES NOT RAISE PROPERTY TAXES OR UTILITY RATES (WATER, SEWER, GARBAGE) FROM CURRENT FY 2017 RATES.

**Departments:**

- Created a new department in General Fund called Technology Services, which will consist of the GIS Administrator and IT Administrator and all associated costs (no net change)

**Personnel:**

- Moved GIS and IT Administrators out of Administration to Technology Services
- Moved Municipal Court Clerk out of Development Services to Administration
- Moved Code Enforcement Officer out of Police Department to Development Services
- Moved Public Works Director out of Capital Improvements Fund to Street Maintenance in General Fund
- Added three (3) full-time fire fighter positions to Fire Department and reduced overtime and part-time wages

**Salaries and Benefits:**

- Added estimated increase of 2.9% of full-time salaries to all departments (approx. \$137,750)
- Added estimated increase of 8% of health insurance costs to all departments

**Property Tax:**

- Preliminary valuations from Llano County (\$1,731,294,994) and Burnet County (\$200,515,310) totaling \$1,931,810,304
- Actual certified values will be provided by both counties by July 25<sup>th</sup>
- Budget assumes a 0.2600 tax rate (same as current year) with 0.2200 for O&M and 0.4000 for I&S, and 98% collections; \$84,750 fund balance in Debt Service Fund is being used towards FY18 debt service obligations

**Revenues:**

When comparing FY17 projected to FY18 proposed budget...

- Fire Department – Bond proceeds for fire engines, sale of fire engines, and an additional donation in FY17 results in a decrease of 80.5% in revenues for FY18
- Police Department – Grant revenues, insurance claim, and sale of property in FY17 results in a decrease of 56.3% in revenues for FY18
- Utility Fund Administration – Bond proceeds for West Water Treatment Plant in FY17 results in a decrease of 93.0% in revenues for FY18

## **Expenditures:**

When comparing FY17 projected to FY18 proposed budget...

- Police Department – Department was not fully staffed for a significant part of FY17, resulting in an overall increase of 11.1% in expenditures for FY18
- Animal Control – Department was not fully staffed and actual deer management expense was less than budgeted for FY17, resulting in an overall increase of 17.2% in expenditures for FY18
- Development Services – Department was not fully staffed for three months in FY17 and the Code Enforcement Officer has been moved to this department for FY18, resulting in an overall increase of 16.1% in expenditures for FY18
- Street Maintenance – Public Works Director salary and associated costs have been moved to this department from Fund 07 for FY18, resulting in an overall increase of 61.1% in expenditures
- Water Distribution – Department was not fully staffed in FY17 and Contract Services for installing taps has been increased in FY18, resulting in an overall increase of 16.1% in expenditures for FY18
- Wastewater Treatment – Department was not fully staffed in FY17, resulting in an overall increase of 20.3% in expenditures in FY18
- Wastewater Collection – Department was not fully staffed in FY17 and Contract Services for installing taps has been increased in FY18, resulting in an overall increase of 18.2% in expenditures for FY18

Note: Excluding the Street Maintenance bullet above, all the departments mentioned above have similar budgets for FY18 as the adopted/amended FY17 (not projected FY17) budget.

Note: Fully staffed means all budgeted positions are filled for the entire fiscal year. However, this is not always the case. For example, employees leave positions with the City for a variety of reasons, such as retirement, accepting a job with another organization, medical disability, and termination to name just a few. When these situations occur, the City typically does not have another potential employee lined up to take over immediately. Another situation that has occurred in the current fiscal year is the City has two employees who have had to take significant amounts of unpaid leave. These types of issues result in actual personnel related expenses to be lower than originally budgeted.



**CITY OF HORSESHOE BAY**

**FY 2018 Proposed Budget**

**General Fund**



# CITY OF HORSESHOE BAY

## FY 2018 General Fund Budget

Beginning Fund Balance: \$ 5,252,920

	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>Revenues:</b>						
Administration	\$ 588,501	\$ 674,500	\$ 732,250	\$ 756,000	23,750	3.2%
Fire	\$ 274,052	\$ 318,000	\$ 1,394,000	\$ 272,000	(1,122,000)	-80.5%
Emergency Service District	\$ 12,320	\$ 9,000	\$ 9,000	\$ 9,000	-	0.0%
Tax	\$ 4,914,310	\$ 4,980,500	\$ 5,096,000	\$ 5,375,000	279,000	5.5%
Police	\$ 14,093	\$ 9,250	\$ 16,000	\$ 7,000	(9,000)	-56.3%
Development Services	\$ 117,988	\$ 109,000	\$ 117,750	\$ 111,750	(6,000)	-5.1%
Street Maintenance	\$ 622,736	\$ 549,250	\$ 559,500	\$ 560,500	1,000	0.2%
Mowing & Clearing	\$ 434,851	\$ 400,000	\$ 404,000	\$ 400,000	(4,000)	-1.0%
Interest Income	\$ 17,797	\$ 12,000	\$ 30,000	\$ 30,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 6,996,648</b>	<b>\$ 7,061,500</b>	<b>\$ 8,358,500</b>	<b>\$ 7,521,250</b>	<b>(837,250)</b>	<b>-10.0%</b>
<b>Expenditures:</b>						
Administration	\$ 1,861,405	\$ 1,916,307	\$ 1,876,500	\$ 1,689,500	(187,000)	-10.0%
Technology Services	\$ -	\$ -	\$ -	\$ 216,500	216,500	-
Fire	\$ 1,802,239	\$ 1,860,000	\$ 1,959,000	\$ 2,076,750	117,750	6.0%
Police	\$ 1,763,070	\$ 1,828,500	\$ 1,624,500	\$ 1,798,750	174,250	10.7%
Animal Control	\$ 141,966	\$ 155,500	\$ 138,250	\$ 162,000	23,750	17.2%
Development Services	\$ 312,959	\$ 401,750	\$ 349,500	\$ 405,750	56,250	16.1%
Street Maintenance	\$ 249,844	\$ 220,000	\$ 210,000	\$ 340,750	130,750	62.3%
Mowing & Clearing	\$ 522,770	\$ 512,000	\$ 512,000	\$ 512,000	-	0.0%
<b>Total Expenditures</b>	<b>\$ 6,654,253</b>	<b>\$ 6,894,057</b>	<b>\$ 6,669,750</b>	<b>\$ 7,202,000</b>	<b>532,250</b>	<b>8.0%</b>
Capital Purchases	176,108	1,130,000	1,139,000	217,000	(922,000)	-80.9%
<b>Total Capital Purchases</b>	<b>\$ 176,108</b>	<b>\$ 1,130,000</b>	<b>\$ 1,139,000</b>	<b>\$ 217,000</b>	<b>(922,000)</b>	<b>-80.9%</b>
<b>Revenues Less Expenditures</b>			<b>\$ 549,749</b>	<b>\$ 102,249</b>		
<b>Ending Fund Balance \$ 5,355,169</b>						





# CITY OF HORSESHOE BAY

## FY 2018 General Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>OPERATING REVENUE</b>							
<b>1000</b>	<b>ADMINISTRATION</b>						
40170	Administrative Fees	490,750	602,250	602,250	642,000	39,750	6.6%
40180	Other Income	17,839	15,000	15,000	15,000	-	0.0%
40185	Miscellaneous Permits	150	250	250	250	-	0.0%
40193	Municipal Court Revenue	16,282	14,500	5,000	5,000	-	0.0%
40194	Traffic Fines	63,480	42,500	52,500	57,000	4,500	8.6%
40195	Transfer In - Other Funds	-	-	8,500	-	(8,500)	-100.0%
40196	Court Technology Fees	-	-	1,750	1,750	-	0.0%
40197	Court Security Fees	-	-	1,500	1,500	-	0.0%
40198	Court Collection Agency Revenue	-	-	16,000	16,000	-	0.0%
40199	Warrant Fees	-	-	14,500	14,500	-	0.0%
40200	Child Safety Fees	-	-	15,000	3,000	(12,000)	-80.0%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>588,501</b>	<b>674,500</b>	<b>732,250</b>	<b>756,000</b>	<b>23,750</b>	<b>3.2%</b>
<b>5000</b>	<b>FIRE</b>						
40180	Other Income	7,040	113,000	127,000	7,000	(120,000)	-94.5%
40186	Other Income-Pub/Sfty Donation	5,950	5,000	10,000	5,000	(5,000)	-50.0%
40300	Bond Proceeds	-	-	1,000,000	-	(1,000,000)	-100.0%
40506	Fire Fighting Services	261,062	200,000	257,000	260,000	3,000	1.2%
<b>Total</b>	<b>FIRE</b>	<b>274,052</b>	<b>318,000</b>	<b>1,394,000</b>	<b>272,000</b>	<b>(1,122,000)</b>	<b>-80.5%</b>
<b>6000</b>	<b>EMERGENCY SERVICE DISTRICT</b>						
40190	Llano Co. ESD #1 - Contract Svcs	3,320	-	-	-	-	-
40191	Llano Co. ESD #1 - Rent	9,000	9,000	9,000	9,000	-	0.0%
<b>Total</b>	<b>EMERGENCY SERVICE DISTRICT</b>	<b>12,320</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>-</b>	<b>0.0%</b>
<b>7000</b>	<b>TAX</b>						
40160	Property Tax Collected (M & O)	3,726,380	3,898,250	3,898,250	4,165,000	266,750	6.8%
40162	Penalty & Interest (M & O)	25,253	22,500	25,000	25,000	-	0.0%
40163	Mixed Beverage Tax	78,999	46,750	81,500	84,000	2,500	3.1%
40165	Sales Tax	873,771	800,000	890,000	900,000	10,000	1.1%
40166	PEC Franchise Tax	171,950	180,000	165,000	165,000	-	0.0%
40180	Other Income	3,215	500	1,250	1,000	(250)	-20.0%
40211	Cable Franchise Fees	34,742	32,500	35,000	35,000	-	0.0%
<b>Total</b>	<b>TAX</b>	<b>4,914,310</b>	<b>4,980,500</b>	<b>5,096,000</b>	<b>5,375,000</b>	<b>279,000</b>	<b>5.5%</b>
<b>8000</b>	<b>POLICE</b>						
40175	Insurance Proceeds	7,163	-	3,000	-	(3,000)	-100.0%
40180	Other Income	1,930	4,250	8,000	2,000	(6,000)	-75.0%
40186	Other Income-Pub/Sfty Donation	5,000	5,000	5,000	5,000	-	0.0%
<b>Total</b>	<b>POLICE</b>	<b>14,093</b>	<b>9,250</b>	<b>16,000</b>	<b>7,000</b>	<b>(9,000)</b>	<b>-56.3%</b>
<b>9500</b>	<b>DEVELOPMENT SERVICES</b>						
40180	Other Income	5,775	4,000	4,000	500	(3,500)	-87.5%
40183	Building Permit Fees	108,913	100,000	102,750	102,750	-	0.0%
40184	Plat Fees	2,600	4,000	4,000	4,000	-	0.0%
40185	Miscellaneous Permits	-	-	-	500	500	-
40187	Contractor Registration	-	-	-	3,000	3,000	-
40192	Zoning Fees	700	1,000	7,000	1,000	(6,000)	-85.7%
<b>Total</b>	<b>DEVELOPMENT SERVICES</b>	<b>117,988</b>	<b>109,000</b>	<b>117,750</b>	<b>111,750</b>	<b>(6,000)</b>	<b>-5.1%</b>



# CITY OF HORSESHOE BAY

## FY 2018 General Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>9600</b>	<b>STREET MAINTENANCE</b>						
40165	Sales Tax	137,790	138,750	149,000	150,000	1,000	0.7%
40207	Pecan Creek Association	3,750	3,750	3,750	3,750	-	0.0%
40208	Applehead POA	5,750	5,750	5,750	5,750	-	0.0%
40209	Applehead Island POA	1,000	1,000	1,000	1,000	-	0.0%
40210	HSB POA	474,446	400,000	400,000	400,000	-	0.0%
<b>Total</b>	<b>Street Maintenance</b>	<b>622,736</b>	<b>549,250</b>	<b>559,500</b>	<b>560,500</b>	<b>1,000</b>	<b>0.2%</b>
<b>9800</b>	<b>MOWING &amp; CLEARING</b>						
40215	Mowing	434,851	400,000	400,000	400,000	-	0.0%
40216	Clearing	-	-	4,000	-	(4,000)	-100.0%
<b>Total</b>	<b>MOWING &amp; CLEARING</b>	<b>434,851</b>	<b>400,000</b>	<b>404,000</b>	<b>400,000</b>	<b>(4,000)</b>	<b>-1.0%</b>
<b>9900</b>	<b>INTEREST INCOME</b>						
40220	Interest on Investments	17,797	12,000	30,000	30,000	-	0.0%
<b>Total</b>	<b>INTEREST INCOME</b>	<b>17,797</b>	<b>12,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUE</b>		<b><u>6,996,648</u></b>	<b><u>7,061,500</u></b>	<b><u>8,358,500</u></b>	<b><u>7,521,250</u></b>	<b>(837,250)</b>	<b>-10.0%</b>



# CITY OF HORSESHOE BAY

## FY 2018 General Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>OPERATING EXPENDITURES</b>							
<b>1000</b>	<b>ADMINISTRATION</b>						
50410	Salaries & Wages	493,504	681,250	665,700	552,000	(113,700)	-17.1%
50411	Overtime	38,839	28,250	32,500	32,500	-	0.0%
50415	Employers FICA Expense	37,813	38,000	51,000	44,750	(6,250)	-12.3%
50420	Group Insurance Premiums	78,341	69,250	69,250	52,500	(16,750)	-24.2%
50430	401(A) Money Purchase	30,267	29,000	32,000	33,000	1,000	3.1%
50432	401(A) Match	22,793	24,000	30,750	29,250	(1,500)	-4.9%
50435	Employers Unemployment Expense	-	5,000	-	5,000	5,000	-
50500	Accounting & Auditing Expense	16,500	17,000	17,000	17,000	-	0.0%
50505	Professional Services	53,635	13,250	30,000	15,000	(15,000)	-50.0%
50506	Election Contracts	3,619	4,000	3,500	4,000	500	14.3%
50509	Appraisal/Tax - Burnet	8,232	8,500	8,500	9,000	500	5.9%
50510	Appraisal/Tax - Llano	90,763	90,750	90,750	95,000	4,250	4.7%
50545	Maintenance Contracts	17,505	30,000	30,000	30,000	-	0.0%
50564	Codification	5,448	5,000	5,000	5,000	-	0.0%
50565	City Council Expense	8,223	5,000	6,500	6,500	-	0.0%
50567	Technology Initiative	-	1,000	-	-	-	-
50568	Advisory Committees	31,806	10,000	2,000	2,500	500	25.0%
50570	Dispatch Expense	74,864	93,250	93,250	105,250	12,000	12.9%
50575	Dues, Fees, & Subscriptions	10,821	10,000	15,000	20,000	5,000	33.3%
50585	Electricity	30,675	35,000	35,000	35,000	-	0.0%
50591	EOC Training & Supplies	-	-	-	5,000	5,000	-
50593	Travel, Training, Schools	22,813	15,000	50,000	30,000	(20,000)	-40.0%
50595	Fuel & Lubricants	15	250	50	-	(50)	-100.0%
50596	Employee Awards Program	890	1,000	1,000	1,000	-	0.0%
50597	Special Events	-	-	-	5,000	5,000	-
50610	Property & Liability Ins.	80,149	93,000	82,250	86,500	4,250	5.2%
50611	Workers' Comp Insurance	80,485	81,000	90,000	90,000	-	0.0%
50620	Legal Expense	93,874	65,000	49,500	60,000	10,500	21.2%
50621	Contingency	-	51,307	-	100,000	100,000	-
50625	Fireworks	10,000	10,000	10,000	10,000	-	0.0%
50630	M & R - Building	90,832	25,000	25,000	25,000	-	0.0%
50650	M & R - Grounds	9,175	10,000	10,000	10,000	-	0.0%
50685	M & R - Vehicles	58	2,000	250	1,000	750	300.0%
50753	Merchant Fee - CC	1,062	5,000	5,000	5,000	-	0.0%
50765	Other Expense	5,750	5,000	8,000	5,000	(3,000)	-37.5%
50775	Postage	8,148	10,000	10,000	10,000	-	0.0%
50780	Printing & Office Supplies	25,411	25,000	25,000	25,000	-	0.0%
50810	Communications	48,250	43,000	36,000	36,000	-	0.0%
50820	Child Safety Fund Expense	-	-	-	3,000	3,000	-
50821	Court Technology Fund Expense	-	-	-	1,750	1,750	-
50822	Court Security Fund Expense	-	-	-	1,500	1,500	-
50823	Court Collection Agency Fees	-	-	16,000	16,000	-	0.0%
50824	Warrant Fees	-	-	3,000	3,000	-	0.0%
50826	Municipal Court Judicial Staff	32,254	36,750	30,500	30,500	-	0.0%
50827	Contributions	12,300	10,000	6,000	6,000	-	0.0%
50866	Tree Removal	175	5,000	750	2,500	1,750	233.3%
50868	Martin Park	6,116	5,000	5,000	5,000	-	0.0%
50832	Trfr Out - Debt Service Fund	252,250	-	-	-	-	-
50845	Trfr Out - Rate Stabilization Fund	-	178,000	178,000	-	(178,000)	-100.0%
50869	Trfr Out - HS Creek Trail Fund	27,750	20,000	-	-	-	-
50870	Fox House Park	-	5,000	-	5,000	5,000	-
50871	Milfoil Treatment	-	17,500	17,500	17,500	-	0.0%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>1,861,405</b>	<b>1,916,307</b>	<b>1,876,500</b>	<b>1,689,500</b>	<b>(187,000)</b>	<b>-10.0%</b>



# CITY OF HORSESHOE BAY

## FY 2018 General Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>3000</b>	<b>TECHNOLGY SERVICES</b>						
50410	Salaries & Wages	-	-	-	125,500	125,500	-
50415	Employers FICA Expense	-	-	-	9,500	9,500	-
50420	Group Insurance Premiums	-	-	-	18,750	18,750	-
50430	401(A) Money Purchase	-	-	-	6,250	6,250	-
50432	401(A) Match	-	-	-	3,250	3,250	-
50505	Professional Services	-	-	-	6,000	6,000	-
50545	Maintenance Contracts	-	-	-	17,000	17,000	-
50575	Dues, Fees, & Subscriptions	-	-	-	500	500	-
50592	Equipment & Supplies	-	-	-	15,000	15,000	-
50593	Travel, Training, Schools	-	-	-	14,000	14,000	-
50765	Other Expense	-	-	-	250	250	-
50830	Printing & Office Supplies	-	-	-	500	500	-
<b>Total</b>	<b>TECHNOLOGY SERVICES</b>	-	-	-	216,500	216,500	-
<b>5000</b>	<b>FIRE</b>						
50410	Salaries & Wages	1,109,184	1,075,000	1,126,000	1,301,750	175,750	15.6%
50411	Overtime	67,648	70,000	112,000	40,000	(72,000)	-64.3%
50412	Salaries - P/T Firefighters	87,651	90,000	85,000	20,000	(65,000)	-76.5%
50415	Employers FICA Expense	90,049	90,000	98,750	104,250	5,500	5.6%
50420	Group Insurance Premiums	199,506	198,250	200,500	257,250	56,750	28.3%
50430	401(A) Money Purchase	75,870	75,000	79,500	90,000	10,500	13.2%
50432	401(A) Match	51,611	50,250	56,500	67,000	10,500	18.6%
50505	Professional Services	6,000	8,000	6,000	7,000	1,000	16.7%
50545	Maintenance Contracts	3,405	7,250	4,500	5,500	1,000	22.2%
50548	Contract Services	2,887	5,250	1,000	3,000	2,000	200.0%
50575	Dues, Fees, & Subscriptions	5,469	7,000	7,000	7,000	-	0.0%
50592	Equipment & Supplies	12,901	33,500	33,500	33,500	-	0.0%
50593	Travel, Training, Schools	23,630	35,000	35,000	35,000	-	0.0%
50594	Fire Protection Gear	11,269	17,500	17,500	25,000	7,500	42.9%
50595	Fuel & Lubricants	10,268	15,000	11,500	12,500	1,000	8.7%
50640	M & R - Equipment	10,970	17,500	17,500	17,500	-	0.0%
50685	M & R - Vehicles	12,931	30,000	26,500	15,000	(11,500)	-43.4%
50765	Other Expense	12,614	11,500	11,500	11,500	-	0.0%
50775	Postage	145	250	500	250	(250)	-50.0%
50780	Printing & Office Supplies	1,162	2,250	2,250	2,250	-	0.0%
50800	Safety Equipment & Supplies	(2,096)	4,000	4,000	4,000	-	0.0%
50829	Public Safety Donations	4,285	5,000	10,000	5,000	(5,000)	-50.0%
50830	Uniforms	4,880	12,500	12,500	12,500	-	0.0%
<b>Total</b>	<b>FIRE</b>	1,802,239	1,860,000	1,959,000	2,076,750	117,750	6.0%
<b>8000</b>	<b>POLICE</b>						
50410	Salaries & Wages	1,202,860	1,253,500	1,128,000	1,207,750	79,750	7.1%
50411	Overtime	18,813	18,000	10,000	18,000	8,000	80.0%
50415	Employers FICA Expense	96,389	96,000	88,750	93,750	5,000	5.6%
50420	Group Insurance Premiums	178,587	181,750	148,750	196,250	47,500	31.9%
50430	401(A) Money Purchase	74,561	74,500	72,250	70,500	(1,750)	-2.4%
50432	401(A) Match	55,626	57,250	44,000	52,000	8,000	18.2%
50548	Contract Services	8,185	10,000	10,000	20,750	10,750	107.5%
50575	Dues, Fees, & Subscriptions	7,438	8,000	8,000	8,000	-	0.0%
50592	Equipment & Supplies	5,822	6,000	6,000	9,000	3,000	50.0%
50593	Travel, Training, Schools	9,795	6,000	6,500	10,000	3,500	53.8%
50595	Fuel & Lubricants	33,184	57,500	41,500	43,500	2,000	4.8%



# CITY OF HORSESHOE BAY

## FY 2018 General Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
50615	Investigation Expense	5,208	4,000	4,000	7,000	3,000	75.0%
50616	Jail Expense	550	250	500	500	-	0.0%
50640	M & R - Equipment	2,222	2,500	3,000	3,000	-	0.0%
50685	M & R - Vehicles	29,314	21,500	21,500	21,500	-	0.0%
50686	M & R - Weapons	6,824	4,000	4,000	4,000	-	0.0%
50760	Medical	355	1,000	1,000	1,000	-	0.0%
50765	Other Expense	4,919	4,000	4,000	6,500	2,500	62.5%
50775	Postage	136	250	250	250	-	0.0%
50780	Printing & Office Supplies	4,015	4,000	4,000	4,000	-	0.0%
50800	Safety Equipment & Supplies	2,429	2,500	2,500	4,500	2,000	80.0%
50829	Public Safety Donations	4,619	5,000	5,000	5,000	-	0.0%
50830	Uniforms	11,220	11,000	11,000	12,000	1,000	9.1%
<b>Total</b>	<b>POLICE</b>	<b>1,763,070</b>	<b>1,828,500</b>	<b>1,624,500</b>	<b>1,798,750</b>	<b>174,250</b>	<b>10.7%</b>
<b>9000</b>	<b>ANIMAL CONTROL</b>						
50410	Salaries & Wages	39,291	42,250	40,750	50,250	9,500	23.3%
50411	Overtime	2,459	2,000	2,000	2,000	-	0.0%
50415	Employers FICA Expense	3,183	2,750	3,500	4,000	500	14.3%
50420	Group Insurance Premiums	7,489	7,500	6,000	6,500	500	8.3%
50430	401(A) Money Purchase	2,673	2,750	2,000	2,500	500	25.0%
50432	401(A) Match	1,782	1,750	1,250	1,000	(250)	-20.0%
50502	Animal Shelter	6,831	10,000	10,000	10,000	-	0.0%
50592	Equipment & Supplies	204	500	500	500	-	0.0%
50593	Travel, Training, Schools	566	500	500	500	-	0.0%
50595	Fuel & Lubricants	4,369	5,500	4,500	5,000	500	11.1%
50685	M & R - Vehicles	2,376	3,500	3,000	3,000	-	0.0%
50765	Other Expense	525	1,000	1,000	1,000	-	0.0%
50830	Uniforms	556	500	750	750	-	0.0%
50862	Deer Management	69,662	75,000	62,500	75,000	12,500	20.0%
<b>Total</b>	<b>ANIMAL CONTROL</b>	<b>141,966</b>	<b>155,500</b>	<b>138,250</b>	<b>162,000</b>	<b>23,750</b>	<b>17.2%</b>
<b>9500</b>	<b>DEVELOPMENT SERVICES</b>						
50410	Salaries & Wages	155,860	210,000	182,000	218,750	36,750	20.2%
50411	Overtime	1,126	1,000	1,500	1,500	-	0.0%
50415	Employers FICA Expense	10,679	16,250	13,500	16,750	3,250	24.1%
50420	Group Insurance Premiums	37,962	52,000	39,250	42,500	3,250	8.3%
50430	401(A) Money Purchase	10,743	14,500	10,500	12,500	2,000	19.0%
50432	401(A) Match	6,205	9,250	7,500	5,500	(2,000)	-26.7%
50505	Professional Services	70,340	75,000	75,000	80,000	5,000	6.7%
50545	Maintenance Contracts	1,516	5,000	3,000	8,000	5,000	166.7%
50575	Dues, Fees, & Subscriptions	1,960	2,500	3,000	3,000	-	0.0%
50592	Equipment & Supplies	3,177	5,000	3,000	5,000	2,000	66.7%
50593	Travel, Training, Schools	6,859	3,500	6,000	6,000	-	0.0%
50595	Fuel & Lubricants	128	500	200	500	300	150.0%
50685	M & R - Vehicles	57	500	50	250	200	400.0%
50753	Merchant Fee - CC	847	-	-	-	-	-
50765	Other Expense	481	2,000	500	1,000	500	100.0%
50777	Advertisements/Notices	4,078	1,250	2,000	2,000	-	0.0%
50780	Printing & Office Supplies	875	2,500	1,000	1,000	-	0.0%
50830	Uniforms	64	1,000	1,500	1,500	-	0.0%
<b>Total</b>	<b>DEVELOPMENT SERVICES</b>	<b>312,959</b>	<b>401,750</b>	<b>349,500</b>	<b>405,750</b>	<b>56,250</b>	<b>16.1%</b>



# CITY OF HORSESHOE BAY

## FY 2018 General Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>9600</b>	<b>STREETS MAINTENANCE</b>						
50410	Salaries & Wages	-	-	-	95,750	95,750	-
50415	Employers FICA Expense	-	-	-	7,250	7,250	-
50420	Group Insurance Premiums	-	-	-	8,250	8,250	-
50430	401(A) Money Purchase	-	-	-	7,250	7,250	-
50432	401(A) Match	-	-	-	4,750	4,750	-
50590	Engineering Fees	6,140	5,000	-	5,000	5,000	-
50854	Street Patching Contract	65,299	45,000	45,000	45,000	-	0.0%
50855	Street Patching Materials	15,116	25,000	25,000	25,000	-	0.0%
50856	Drainage	15,994	15,000	15,000	15,000	-	0.0%
50857	Traffic Signs Contract	26,118	15,000	15,000	15,000	-	0.0%
50858	Traffic Signs Materials	5,872	5,000	5,000	7,500	2,500	50.0%
50859	Litter Control Contract	19,366	20,000	20,000	20,000	-	0.0%
50865	ROW Maintenance	95,939	90,000	85,000	85,000	-	0.0%
<b>Total</b>	<b>STREETS MAINTENANCE</b>	<b>249,844</b>	<b>220,000</b>	<b>210,000</b>	<b>340,750</b>	<b>130,750</b>	<b>62.3%</b>
<b>9800</b>	<b>MOWING &amp; CLEARING</b>						
50863	Lot Mowing	522,770	512,000	512,000	512,000	-	0.0%
<b>Total</b>	<b>MOWING &amp; CLEARING</b>	<b>522,770</b>	<b>512,000</b>	<b>512,000</b>	<b>512,000</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL OPERATING EXPENDITURES</b>		<b>6,654,253</b>	<b>6,894,057</b>	<b>6,669,750</b>	<b>7,202,000</b>	<b>532,250</b>	<b>8.0%</b>



**CITY OF HORSESHOE BAY**  
**FY 2018 General Fund Budget**

<b>Account Code</b>		<b>FY 2018 Proposed Budget</b>
<b>FY 2018 CAPITAL PURCHASES</b>		
<b>5000</b>	<b>FIRE</b>	
50955	Training Equipment - 5 Year Plan (Year 1)	25,000
50959	Remodel of Central Fire Station #1 - Phase I	140,000
<b>8000</b>	<b>POLICE</b>	
50955	Purchase & installation of six tablets with software and mount solutions	27,000
<b>1000</b>	<b>GENERAL</b>	
50955	Equipment Replacement	25,000
50955	Pickle Ball Court	50,000
50955	Anonymous Donor - Pickle Ball Court	(50,000)
<b>TOTAL FY 2018 CAPITAL PURCHASES</b>		<b><u>217,000</u></b>



**CITY OF HORSESHOE BAY**  
**FY 2018 Proposed Budget**  
**Capital Improvements Fund**





**CITY OF HORSESHOE BAY**  
**FY 2018 Capital Improvements Budget**

Account Code		FY 2018 Proposed Budget
Beginning Fund Balance:		\$ -
FY 2018 CAPITAL PROJECTS		
50961	Street Improvements Upgrades	600,000
Sealcoating - 5 Year Plan		
50961	Fault Line	308,000
50961	Apple Head	115,500
50961	Bay West Blvd	165,000
50961	HSB West	715,000
50961	Golden Nugget Safety Improvement	230,000
TOTAL FY 2018 CAPITAL PROJECTS		<u>2,133,500</u>
Ending Fund Balance		\$ (2,133,500)



**CITY OF HORSESHOE BAY**

**FY 2018 Proposed Budget**

**Debt Service Fund**



**CITY OF HORSESHOE BAY**  
**FY 2018 Debt Service Budget**

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget
Beginning Fund Balance:					\$ 132,248
<b>REVENUES</b>					
7000	<b>TAX</b>				
40150	Property Tax Collected (I & S)	469,567	745,750	745,750	757,250
40152	Penalty & Interest (I & S)	2,827	-	-	-
9996	<b>TRANSFERS IN</b>				
40195	Transfers In	252,250	-	-	-
9999	<b>INTEREST INCOME</b>				
40220	Interest on Investments	761	250	1,000	1,000
<b>TOTAL REVENUES</b>		<b>725,405</b>	<b>746,000</b>	<b>746,750</b>	<b>758,250</b>
<b>EXPENDITURES</b>					
1000	<b>ADMINISTRATION</b>				
50765	Other Expense	200	-	-	-
9994	<b>DEBT SERVICE (General Fund Projects)</b>				
50518	Debt Service Interest - Series 2011	154,553	148,500	148,500	141,500
50520	Debt Service Principal - Series 2011	270,000	275,000	275,000	280,000
50521	Debt Service Interest - Series 2014	154,996	152,250	152,250	149,250
50522	Debt Service Principal - Series 2014	145,000	150,000	150,000	150,000
50523	Debt Service Interest - Series 2016	-	19,500	23,500	28,250
50524	Debt Service Principal - Series 2016	-	-	-	95,000
<b>TOTAL EXPENDITURES</b>		<b>724,749</b>	<b>745,250</b>	<b>749,250</b>	<b>844,000</b>
Ending Fund Balance					\$ 46,498



**CITY OF HORSESHOE BAY**

**FY 2018 Proposed Budget**

**Utility Fund**



# CITY OF HORSESHOE BAY

## FY 2018 Utility Fund Budget

Beginning Fund Balance: \$ 966,007						
	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>Revenues:</b>						
Water Service Charges	\$ 3,183,914	\$ 3,372,500	\$ 3,398,500	\$ 3,438,500	40,000	1.2%
Wastewater Service Charges	\$ 2,300,475	\$ 2,347,500	\$ 2,446,500	\$ 2,472,500	26,000	1.1%
Solid Waste Service Charges	\$ 803,932	\$ 825,000	\$ 884,000	\$ 892,250	8,250	0.9%
Other Revenues/Transfers In	\$ 18,610	\$ 5,500	\$ 3,601,500	\$ 268,000	(3,333,500)	-92.6%
<b>Total Revenues</b>	<b>\$ 6,306,931</b>	<b>\$ 6,550,500</b>	<b>\$ 10,330,500</b>	<b>\$ 7,071,250</b>	<b>(3,259,250)</b>	<b>-31.5%</b>
<b>Expenditures:</b>						
Administration	\$ 1,558,988	\$ 1,714,250	\$ 1,704,000	\$ 1,792,000	88,000	5.2%
Water - Production	\$ 804,419	\$ 813,500	\$ 808,500	\$ 853,000	44,500	5.5%
Water - Distribution	\$ 532,356	\$ 643,250	\$ 656,250	\$ 709,750	53,500	8.2%
Wastewater - Treatment	\$ 321,022	\$ 367,500	\$ 315,750	\$ 379,750	64,000	20.3%
Wastewater - Collection	\$ 805,860	\$ 880,000	\$ 850,250	\$ 955,250	105,000	12.3%
Solid Waste - Recycling	\$ 639,555	\$ 691,500	\$ 727,000	\$ 738,001	11,001	1.5%
Debt Service	\$ 1,157,832	\$ 502,250	\$ 1,331,500	\$ 1,331,750	250	0.0%
<b>Total Expenditures</b>	<b>\$ 5,820,032</b>	<b>\$ 5,612,250</b>	<b>\$ 6,393,250</b>	<b>\$ 6,759,500</b>	<b>366,250</b>	<b>5.7%</b>
<b>Revenues Less Expenditures</b>			<b>\$ 3,937,250</b>	<b>\$ 311,750</b>		
Ending Fund Balance (O&M only)					\$ 1,277,757	
Capital Purchases	\$ 1,083,793	\$ 670,000	\$ 670,000	\$ 544,000	(126,000)	-18.8%
Capital Projects	\$ 1,161,459	\$ 2,980,000	\$ 2,650,000	\$ 1,425,000	(1,225,000)	-46.2%
<b>Total Capital Expenditures</b>	<b>\$ 2,245,252</b>	<b>\$ 3,650,000</b>	<b>\$ 3,320,000</b>	<b>\$ 1,969,000</b>	<b>(1,351,000)</b>	<b>-40.7%</b>



# CITY OF HORSESHOE BAY

## FY 2018 Utility Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>OPERATING REVENUE</b>							
<b>1001</b>	<b>WATER - PRODUCTION</b>						
40100	Water District Service Fees	2,865,823	3,047,000	3,030,000	3,060,500	30,500	1.0%
40111	Water Non-District Service Fee	187,374	211,000	197,500	213,000	15,500	7.8%
40112	Water Tap Connection Fees	93,650	75,000	120,250	120,000	(250)	-0.2%
40115	Reconnection Fees	6,349	8,000	7,500	8,000	500	6.7%
40116	Temporary Meter Fees	(1,599)	1,000	1,000	500	(500)	-50.0%
40117	Water & Sewer P & I Service	14,627	13,000	15,500	15,500	-	0.0%
40175	Insurance Proceeds	2,196	-	-	-	-	-
40178	Other Income - Leases	12,125	11,500	21,000	15,000	(6,000)	-28.6%
40180	Other Income	1,104	5,000	4,000	4,000	-	0.0%
40185	Miscellaneous Permits	2,265	1,000	1,750	2,000	250	14.3%
<b>Total</b>	<b>WATER - PRODUCTION</b>	<b>3,183,914</b>	<b>3,372,500</b>	<b>3,398,500</b>	<b>3,438,500</b>	<b>40,000</b>	<b>1.2%</b>
<b>2001</b>	<b>WASTEWATER - TREATMENT</b>						
40117	Water & Sewer P & I Service	14,915	15,000	15,500	15,500	-	0.0%
40120	Sewer Customer Service Fees	1,899,792	1,964,500	1,984,500	2,004,000	19,500	1.0%
40122	Sewer Tap Connection Fees	76,725	60,000	113,500	115,000	1,500	1.3%
40124	Sewer Service - Cottonwood Shores	128,597	125,000	130,250	132,000	1,750	1.3%
40125	Sewer Service - LCMUD#1	49,918	51,000	49,250	50,000	750	1.5%
40127	Grinder Sales	130,140	130,000	152,500	155,000	2,500	1.6%
40180	Other Income	390	2,000	1,000	1,000	-	0.0%
<b>Total</b>	<b>WASTEWATER - TREATMENT</b>	<b>2,300,475</b>	<b>2,347,500</b>	<b>2,446,500</b>	<b>2,472,500</b>	<b>26,000</b>	<b>1.1%</b>
<b>3001</b>	<b>SOLID WASTE - RECYCLING</b>						
40126	Brush Disposal	13,411	26,000	23,000	23,000	-	0.0%
40130	Garbage Fees - Commercial	134,208	136,250	136,750	138,000	1,250	0.9%
40135	Garbage Fees - Residential	655,750	662,500	724,000	731,000	7,000	1.0%
40180	Other Income	563	250	250	250	-	0.0%
<b>Total</b>	<b>SOLID WASTE - RECYCLING</b>	<b>803,932</b>	<b>825,000</b>	<b>884,000</b>	<b>892,250</b>	<b>8,250</b>	<b>0.9%</b>
<b>1000</b>	<b>ADMINISTRATION</b>						
40180	Other Income	12,000	-	-	-	-	-
40195	Transfer In - General Fund	-	-	178,000	-	(178,000)	-100.0%
40195	Transfer In - Summit Rock PID	-	-	250,500	252,500	2,000	0.8%
40300	Bond Proceeds	-	-	3,157,500	-	(3,157,500)	-100.0%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>12,000</b>	<b>-</b>	<b>3,586,000</b>	<b>252,500</b>	<b>(3,333,500)</b>	<b>-93.0%</b>
<b>4000</b>	<b>STANDBY</b>						
40140	Standby Customer Service Fees	979	1,000	1,000	1,000	-	0.0%
40142	Penalty & Interest - Standby	1,186	500	500	500	-	0.0%
<b>Total</b>	<b>STANDBY</b>	<b>2,165</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>0.0%</b>
<b>9999</b>	<b>INTEREST INCOME</b>						
40220	Interest on Investments	4,445	4,000	14,000	14,000	-	0.0%
<b>Total</b>	<b>INTEREST INCOME</b>	<b>4,445</b>	<b>4,000</b>	<b>14,000</b>	<b>14,000</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUE</b>		<b><u>6,306,931</u></b>	<b><u>6,550,500</u></b>	<b><u>10,330,500</u></b>	<b><u>7,071,250</u></b>	<b>(3,259,250)</b>	<b>-31.5%</b>



# CITY OF HORSESHOE BAY

## FY 2018 Utility Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>OPERATING EXPENDITURES</b>							
<b>1000</b>	<b>ADMINISTRATION</b>						
50410	Salaries & Wages	257,318	273,000	261,500	283,250	21,750	8.3%
50411	Overtime	3,093	3,000	4,500	4,000	(500)	-11.1%
50415	Employers FICA Expense	18,778	21,000	20,750	22,000	1,250	6.0%
50420	Group Insurance Premiums	43,330	52,750	43,500	47,000	3,500	8.0%
50430	401(A) Money Purchase	15,590	17,250	15,000	17,250	2,250	15.0%
50432	401(A) Match	11,408	12,250	13,500	12,000	(1,500)	-11.1%
50505	Professional Services	97,027	67,250	70,000	70,000	-	0.0%
50512	Utility Billing	23,994	29,000	29,000	25,000	(4,000)	-13.8%
50545	Maintenance Contracts	34,948	45,000	43,750	44,000	250	0.6%
50575	Dues, Fees, & Subscriptions	21,209	19,000	20,000	21,000	1,000	5.0%
50581	Electricity/Recycle Center	937	1,250	1,000	1,000	-	0.0%
50582	Electricity/WW Treatment Plant	142,614	155,000	149,000	150,000	1,000	0.7%
50583	Electricity/West WTP	55,080	58,000	57,000	60,000	3,000	5.3%
50585	Electricity/Field Maintenance Facilities	5,655	7,000	6,000	6,000	-	0.0%
50586	Electricity / CWTP	129,464	140,000	132,000	150,000	18,000	13.6%
50590	Engineering Fees	25,881	45,000	45,500	45,000	(500)	-1.1%
50593	Travel, Training, Schools	29,151	22,500	26,750	25,000	(1,750)	-6.5%
50596	Employee Awards Program	70	1,000	1,000	1,000	-	0.0%
50630	M & R - Building	14,182	15,000	14,750	15,000	250	1.7%
50650	M & R - Grounds	29,976	22,000	26,000	25,000	(1,000)	-3.8%
50753	Merchant Fee - CC	44,556	40,000	50,000	55,000	5,000	10.0%
50765	Other Expense	7,826	4,000	6,500	6,500	-	0.0%
50775	Postage	690	500	250	500	250	100.0%
50780	Printing & Office Supplies	17,096	15,000	17,000	17,000	-	0.0%
50810	Communications	38,144	44,000	45,000	45,000	-	0.0%
50825	Uncollectable Accounts	-	1,000	1,000	1,000	-	0.0%
50830	Uniforms	221	1,250	1,500	1,500	-	0.0%
50840	Administrative Fees	490,750	602,250	602,250	642,000	39,750	6.6%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>1,558,988</b>	<b>1,714,250</b>	<b>1,704,000</b>	<b>1,792,000</b>	<b>88,000</b>	<b>5.2%</b>
<b>1001</b>	<b>WATER - PRODUCTION</b>						
50410	Salaries Water	165,819	161,000	159,750	173,500	13,750	8.6%
50411	Overtime	26,140	23,000	26,000	26,000	-	0.0%
50415	Employers FICA Expense	13,334	12,500	13,500	15,250	1,750	13.0%
50420	Group Insurance Premiums	44,814	47,250	37,250	40,250	3,000	8.1%
50430	401(A) Money Purchase	10,293	10,500	11,500	13,500	2,000	17.4%
50432	401(A) Match	8,147	8,250	8,500	10,000	1,500	17.6%
50535	Bulk Water Purchases	330,259	350,000	351,500	355,000	3,500	1.0%
50540	Chemicals / Water	81,887	75,000	77,000	80,000	3,000	3.9%
50548	Contract Services	1,000	3,000	2,000	2,000	-	0.0%
50555	Lab Expense	17,260	16,000	17,000	17,500	500	2.9%
50592	Equipment & Supplies	1,359	4,000	4,000	4,000	-	0.0%
50595	Fuel & Lubricants	4,039	7,000	7,000	7,000	-	0.0%
50640	M & R - Equipment	3,073	5,000	4,250	4,000	(250)	-5.9%
50675	M & R - Plant	86,658	75,000	74,250	90,000	15,750	21.2%
50685	M & R - Vehicles	1,599	3,500	3,500	3,500	-	0.0%
50765	Other Expense	942	1,500	1,500	1,500	-	0.0%
50785	Rent / Lease	860	2,000	2,000	2,000	-	0.0%
50800	Safety Equipment & Supplies	3,433	5,500	4,500	4,500	-	0.0%
50830	Uniforms	3,503	3,500	3,500	3,500	-	0.0%
<b>Total</b>	<b>WATER - PRODUCTION</b>	<b>804,419</b>	<b>813,500</b>	<b>808,500</b>	<b>853,000</b>	<b>44,500</b>	<b>5.5%</b>



# CITY OF HORSESHOE BAY

## FY 2018 Utility Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
<b>1002</b>	<b>WATER - DISTRIBUTION</b>						
50410	Salaries Water	261,965	297,000	287,500	337,000	49,500	17.2%
50411	Overtime	16,680	22,000	20,000	20,000	-	0.0%
50415	Employers FICA Expense	20,353	22,750	24,750	27,250	2,500	10.1%
50420	Group Insurance Premiums	58,071	69,500	55,750	60,250	4,500	8.1%
50430	401(A) Money Purchase	12,119	16,750	16,250	19,750	3,500	21.5%
50432	401(A) Match	9,301	13,000	11,250	15,500	4,250	37.8%
50548	Contract Services	2,250	5,000	50,000	30,000	(20,000)	-40.0%
50550	Contract Serv-Leak Detect/GPS	-	15,000	14,500	15,000	500	3.4%
50592	Equipment & Supplies	23,177	20,000	20,000	20,000	-	0.0%
50595	Fuel & Lubricants	8,065	15,000	12,500	12,500	-	0.0%
50640	M & R - Equipment	7,384	8,500	7,500	7,500	-	0.0%
50685	M & R - Vehicles	8,016	8,000	7,500	8,000	500	6.7%
50725	M & R Materials - Line	45,442	45,000	48,250	47,000	(1,250)	-2.6%
50726	Street Repair - Paving	24,167	30,000	26,250	27,000	750	2.9%
50730	M & R Materials - WT Tap	15,948	16,000	15,750	24,000	8,250	52.4%
50755	Meter Expense - New Svc	7,780	27,000	26,750	27,000	250	0.9%
50765	Other Expense	1,801	2,500	2,500	2,500	-	0.0%
50785	Rent / Lease	1,039	1,000	750	1,000	250	33.3%
50800	Safety Equipment & Supplies	5,185	4,750	4,500	4,500	-	0.0%
50830	Uniforms	3,613	4,500	4,000	4,000	-	0.0%
<b>Total</b>	<b>WATER - DISTRIBUTION</b>	<b>532,356</b>	<b>643,250</b>	<b>656,250</b>	<b>709,750</b>	<b>53,500</b>	<b>8.2%</b>
<b>2001</b>	<b>WASTEWATER - TREATMENT</b>						
50410	Salaries Sewer	140,206	167,500	136,250	180,500	44,250	32.5%
50411	Overtime	16,580	13,000	14,000	14,000	-	0.0%
50415	Employers FICA Expense	10,977	13,000	11,750	15,000	3,250	27.7%
50420	Group Insurance Premiums	38,643	47,250	32,500	35,000	2,500	7.7%
50430	401(A) Money Purchase	9,248	10,750	10,250	13,250	3,000	29.3%
50432	401(A) Match	6,899	8,500	7,250	9,750	2,500	34.5%
50543	Chemicals / WW Treatment	24,707	15,000	15,000	15,000	-	0.0%
50548	Contract Services	250	3,500	2,500	2,500	-	0.0%
50555	Lab Expense	10,206	12,500	12,000	13,000	1,000	8.3%
50592	Equipment & Supplies	1,150	3,500	3,000	3,000	-	0.0%
50595	Fuel & Lubricants	5,180	7,500	6,250	6,500	250	4.0%
50640	M & R - Equipment	6,906	5,500	5,000	5,500	500	10.0%
50675	M & R - Plant	39,152	35,000	34,250	38,000	3,750	10.9%
50685	M & R - Vehicles	1,284	3,000	2,750	3,000	250	9.1%
50742	Bio Solids - Compost	5,208	12,000	13,000	13,000	-	0.0%
50765	Other Expense	757	1,000	750	1,000	250	33.3%
50785	Rent / Lease	-	2,000	2,750	5,000	2,250	81.8%
50800	Safety Equipment & Supplies	794	3,500	3,500	3,500	-	0.0%
50830	Uniforms	2,875	3,500	3,000	3,250	250	8.3%
<b>Total</b>	<b>WASTEWATER - TREATMENT</b>	<b>321,022</b>	<b>367,500</b>	<b>315,750</b>	<b>379,750</b>	<b>64,000</b>	<b>20.3%</b>
<b>2002</b>	<b>WASTEWATER - COLLECTION</b>						
50410	Salaries Sewer	292,830	309,250	263,750	351,000	87,250	33.1%
50411	Overtime	45,615	35,000	35,000	35,000	-	0.0%
50415	Employers FICA Expense	24,917	23,750	23,250	29,500	6,250	26.9%
50420	Group Insurance Premiums	69,142	71,750	52,250	56,500	4,250	8.1%
50430	401(A) Money Purchase	14,519	17,500	16,500	21,250	4,750	28.8%
50432	401(A) Match	10,712	13,500	8,750	16,750	8,000	91.4%
50542	Chemicals/Collection System	12,849	15,000	13,500	13,500	-	0.0%
50548	Contract Services	3,750	8,000	50,000	30,000	(20,000)	-40.0%





# CITY OF HORSESHOE BAY

## FY 2018 Utility Fund Budget

Account Code	Account Title	FY 2016 Final Actuals	FY 2017 Amended Budget	FY 2017 Projected Actuals	FY 2018 Proposed Budget	\$ Variance from FY 17 Projected to FY 18	% Variance from FY 17 Projected to FY 18
50550	Contract Serv-Leak Detect/GPS	-	15,000	14,000	15,000	1,000	7.1%
50592	Equipment & Supplies	21,486	19,000	19,000	19,000	-	0.0%
50595	Fuel & Lubricants	12,293	15,000	12,250	13,000	750	6.1%
50640	M & R - Equipment	7,312	9,000	7,500	7,500	-	0.0%
50645	M & R - Grinder Pump	116,362	130,000	130,000	130,000	-	0.0%
50646	M & R - Grinders Sold	74,561	75,000	92,000	92,000	-	0.0%
50670	M & R - Lift Station	19,507	25,000	22,000	22,000	-	0.0%
50685	M & R - Vehicles	7,111	8,000	7,000	7,000	-	0.0%
50715	M & R Materials - GP Tap	10,266	10,000	11,500	24,000	12,500	108.7%
50725	M & R Materials - Line	34,760	37,000	38,000	38,000	-	0.0%
50726	Street Repair - Paving	16,519	30,000	22,000	22,000	-	0.0%
50765	Other Expense	2,834	2,750	2,750	2,750	-	0.0%
50785	Rent / Lease	919	1,500	1,250	1,500	250	20.0%
50800	Safety Equipment & Supplies	4,001	4,500	4,000	4,000	-	0.0%
50830	Uniforms	3,596	4,500	4,000	4,000	-	0.0%
<b>Total</b>	<b>WASTEWATER - COLLECTION</b>	<b>805,860</b>	<b>880,000</b>	<b>850,250</b>	<b>955,250</b>	<b>105,000</b>	<b>12.3%</b>
<b>3001</b>	<b>SOLID WASTE - RECYCLING</b>						
50410	Salaries - Monitor	48,674	50,500	56,500	53,500	(3,000)	-5.3%
50411	Overtime	-	1,000	500	500	-	0.0%
50415	Employers FICA Expense	3,692	4,000	4,500	4,250	(250)	-5.6%
50420	Group Insurance Premiums	7,895	8,000	7,500	8,000	500	6.7%
50430	401(A) Money Purchase	2,664	2,750	2,750	3,000	250	9.1%
50432	401(A) Match	710	750	750	750	(1)	-0.1%
50599	Compactor Service	11,601	12,000	12,000	12,000	-	0.0%
50600	Garbage Service - Commercial	110,366	113,500	103,000	106,000	3,000	2.9%
50605	Garbage Service - Residential	404,361	457,000	496,000	511,000	15,000	3.0%
50606	Recycling Service	9,675	13,000	10,000	10,000	-	0.0%
50676	M & R Brush Site	39,918	24,000	28,500	24,000	(4,500)	-15.8%
50785	Rent / Lease	-	5,000	5,000	5,000	-	0.0%
<b>Total</b>	<b>SOLID WASTE - RECYCLING</b>	<b>639,555</b>	<b>691,500</b>	<b>727,000</b>	<b>738,001</b>	<b>11,001</b>	<b>1.5%</b>
<b>9994</b>	<b>DEBT SERVICE</b>						
50515	Debit Service - Principal Series 2007	355,000	-	355,000	365,000	10,000	2.8%
50516	Debt Service - Interest Series 2007	206,500	192,750	192,750	178,250	(14,500)	-7.5%
50517	Bond Issuance Cost - Series 2007	-	3,500	-	-	-	-
50518	Debt Service Interest-Series 2011	148,120	94,250	94,250	89,750	(4,500)	-4.8%
50519	Bond Issuance Cost - Series 2011	-	9,000	-	-	-	-
50520	Debt Service Principal - Series 2011	170,000	-	175,000	180,000	5,000	2.9%
50521	Debt Service Interest-Series 2014	148,212	134,000	134,000	131,250	(2,750)	-2.1%
50522	Debt Service Principal - Series 2014	130,000	-	130,000	135,000	5,000	3.8%
50523	Debt Service Interest-Series 2016	-	68,750	80,500	92,500	12,000	14.9%
50524	Debt Service Principal - Series 2016	-	-	170,000	160,000	(10,000)	-5.9%
<b>Total</b>	<b>DEBT SERVICE</b>	<b>1,157,832</b>	<b>502,250</b>	<b>1,331,500</b>	<b>1,331,750</b>	<b>250</b>	<b>0.0%</b>
<b>TOTAL OPERATING EXPENDITURES</b>		<b>5,820,032</b>	<b>5,612,250</b>	<b>6,393,250</b>	<b>6,759,500</b>	<b>366,250</b>	<b>5.7%</b>



**CITY OF HORSESHOE BAY**  
**FY 2018 Utility Fund Budget**

<b>Account Code</b>		<b>FY 2018 Proposed Budget</b>
<b>FY 2018 CAPITAL PURCHASES</b>		
50956	Replace Service Trucks (3)	87,000
50955	Emergency Equipment Replacement	50,000
50955	Water Meter AMI System	100,000
50968	Douglas Drive Sewer Line Expansion	100,000
50969	Fire System Improvements CWTP	60,000
50957	Replace Computers for Field	13,000
50969	Improvements to West WTP	50,000
50955	Portable Sewer Tank	12,000
50955	Skid Loader w/ Broom Attachment	60,000
50955	Water Quality Monitoring Station - Hi Storage	12,000
<b>TOTAL FY 2018 CAPITAL PURCHASES</b>		<b>\$ 544,000</b>
<b>FY 2018 CAPITAL PROJECTS</b>		
50968	Wastewater Reclamation Plant Expansion - Engineering	675,000
50969	750,000 Gallon High Storage Water Tank Rehab	600,000
50955	Membrane Filter Rack Replacement	150,000
<b>TOTAL FY 2018 CAPITAL PROJECTS</b>		<b>\$ 1,425,000</b>
<b>TOTAL FY 2018 CAPITAL EXPENDITURES</b>		<b><u>\$ 1,969,000</u></b>

**5 YEAR CAPITAL IMPROVEMENT / NEEDS ASSESSMENT PLAN**  
**FY 2018 - FY 2022**

General Fund Five Year Capital Improvement Plan		(1)	(2)	(3)	(4)	(5)
	Budgeted FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Routine Equipment Replacement	25,000	25,000	25,000	25,000	25,000	25,000
Pickle Ball Court*	-	50,000	-	-	-	-
Vehicles (Police)	55,000	-	96,000	96,000	45,000	96,000
Equipment (Police)	55,000	27,000	23,000	23,000	23,000	23,000
Equipment Training (Fire)	-	25,000	25,000	25,000	25,000	25,000
Fire Engines (2)	1,000,000	-	-	-	-	-
Remodel Central Fire Station #1 (Phase I & II)	-	140,000	150,000	-	-	-
<b>Total Annual CIP Requirements</b>	<b>\$ 1,135,000</b>	<b>\$ 217,000</b>	<b>\$ 319,000</b>	<b>\$ 169,000</b>	<b>\$ 118,000</b>	<b>\$ 169,000</b>
*Anonymous donor has offered to pay for the pickle ball court						
Utility Fund Five Year Capital Improvement Plan		(1)	(2)	(3)	(4)	(5)
	Budgeted FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Routine Equipment/Projects</b>	<b>\$ 670,000</b>	<b>\$ 544,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>
<b>Major Projects</b>						
Summit Rock Effluent Pump and Piping	-	-	130,000	-	-	-
750,000 Gallon High Storage Water Tank Rehab***	50,000	600,000	-	-	-	-
1,500,000 Gallon High Storage Water Tank Rehab	-	-	-	-	550,000	-
Central Water Plant Membrane Replacement (6MG)	-	150,000	150,000	150,000	-	-
Distribution Main Rehab Projects	-	-	-	-	500,000	500,000
West Water Plant Expansion *	2,600,000	-	-	-	-	-
Summit Rock Lift Station *	-	-	520,000	-	-	-
Wastewater Treatment Plant Expansion Eng.*	-	675,000	-	-	-	-
Wastewater Treatment Plant Expansion*	-	-	2,500,000	1,500,000	-	-
Wastewater Pond Liner Replacement	-	-	250,000	-	-	-
Developer Contribution** (\$7.4 M)	-	-	-	-	-	-
<b>Subtotal - Major Projects</b>	<b>\$ 2,650,000</b>	<b>\$ 1,425,000</b>	<b>\$ 3,550,000</b>	<b>\$ 1,650,000</b>	<b>\$ 1,050,000</b>	<b>\$ 500,000</b>
<b>Total Annual CIP Requirements</b>	<b>\$ 3,320,000</b>	<b>\$ 1,969,000</b>	<b>\$ 4,300,000</b>	<b>\$ 2,400,000</b>	<b>\$ 1,800,000</b>	<b>\$ 1,250,000</b>
*Projects that have a Developer Contribution						
**The first \$2M is funded. However, the remainder will be reimbursed from the PID.						
***Project not completed in FY17, moved to FY18						
Capital Projects Fund Five Year Capital Improvement Plan		(1)	(2)	(3)	(4)	(5)
	Budgeted FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Street Improvements Upgrades	-	600,000	-	-	-	-
Seal Coating	-	1,310,000	810,000	-	-	500,000
Golden Nugget Safety Improvement	-	230,000	-	-	-	-
<b>Total Annual CIP Requirements</b>	<b>\$ -</b>	<b>\$ 2,140,000</b>	<b>\$ 810,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,000</b>



# QUALIFYING STREETS FOR UPGRADE AND SEAL COATING

## New roads that meet criteria at 15 houses per mile

Street	Length	Homes currently	Homes needed to meet formula for upgrade
• Azure	651'	3	2
• Acacia	238'	1	1
• Whistle Stop	92'	1	1
• Mountain Home	627'	2	2
• Lost Buck	67'	1	1
• Silver Hill	143'	1	1
• Bottoms Up	140'	1	1
• Sharp Rock	357'	2	1
• Sky Lane	230'	1	1
• Shale	160'	1	1
• Sure Fire	270'	1	1
Total	<u>2975'</u>		
• Sun Ray	6500'	21	18
Unpaved section	<u>4700'</u>	*8	13
*3 building permit			
Grand Total	<u>7675'</u> or 1.45 miles		





NH – New Home

EH – Existing Home





Hi Mesa

Acacia

238 FT 1 House

Google Earth

1995

Imagery Date: 1/18/2015 30°31'23.95" N 98°22'10.54" W elev 978 ft eye alt 1870 ft

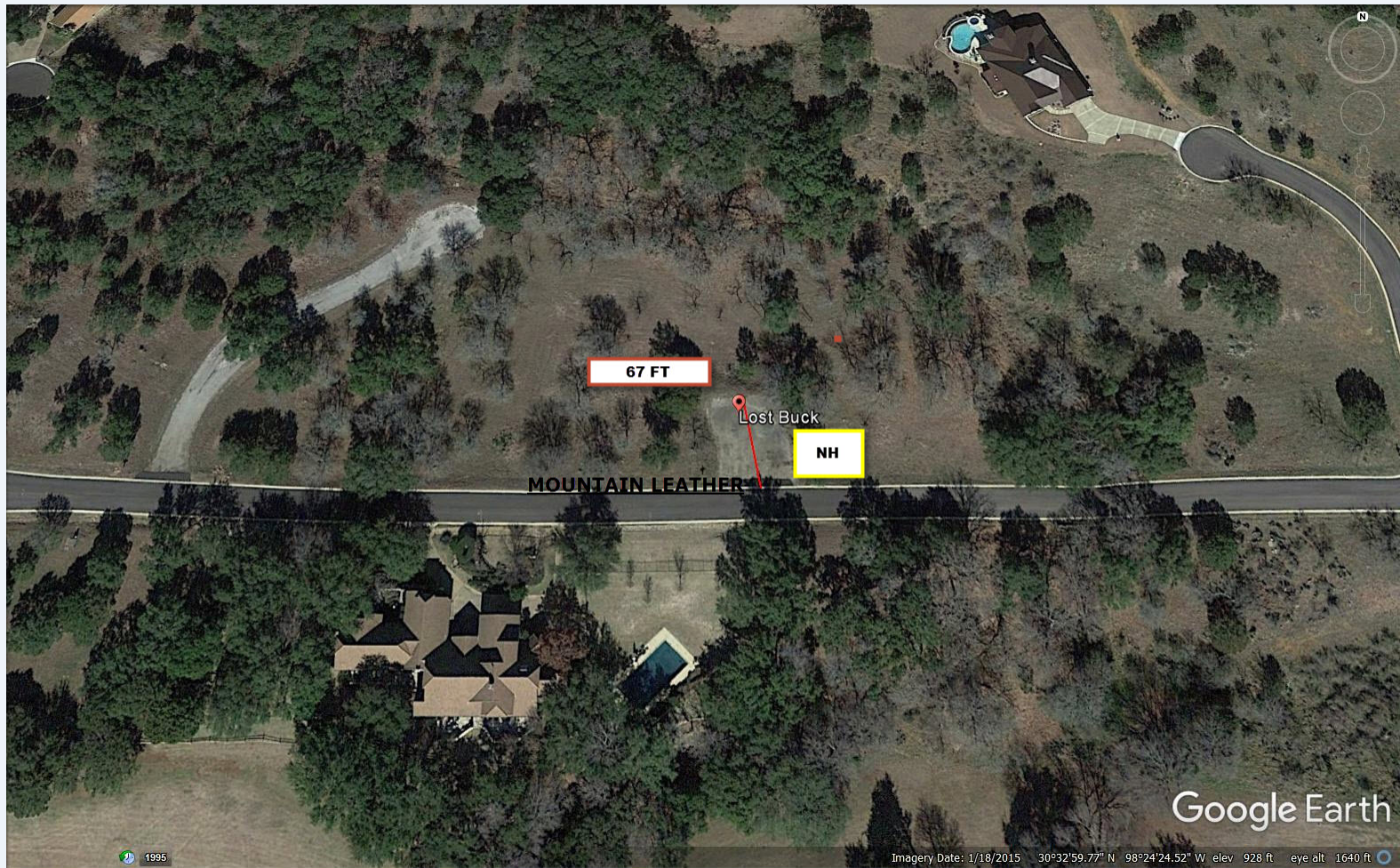












67 FT

Lost Buck

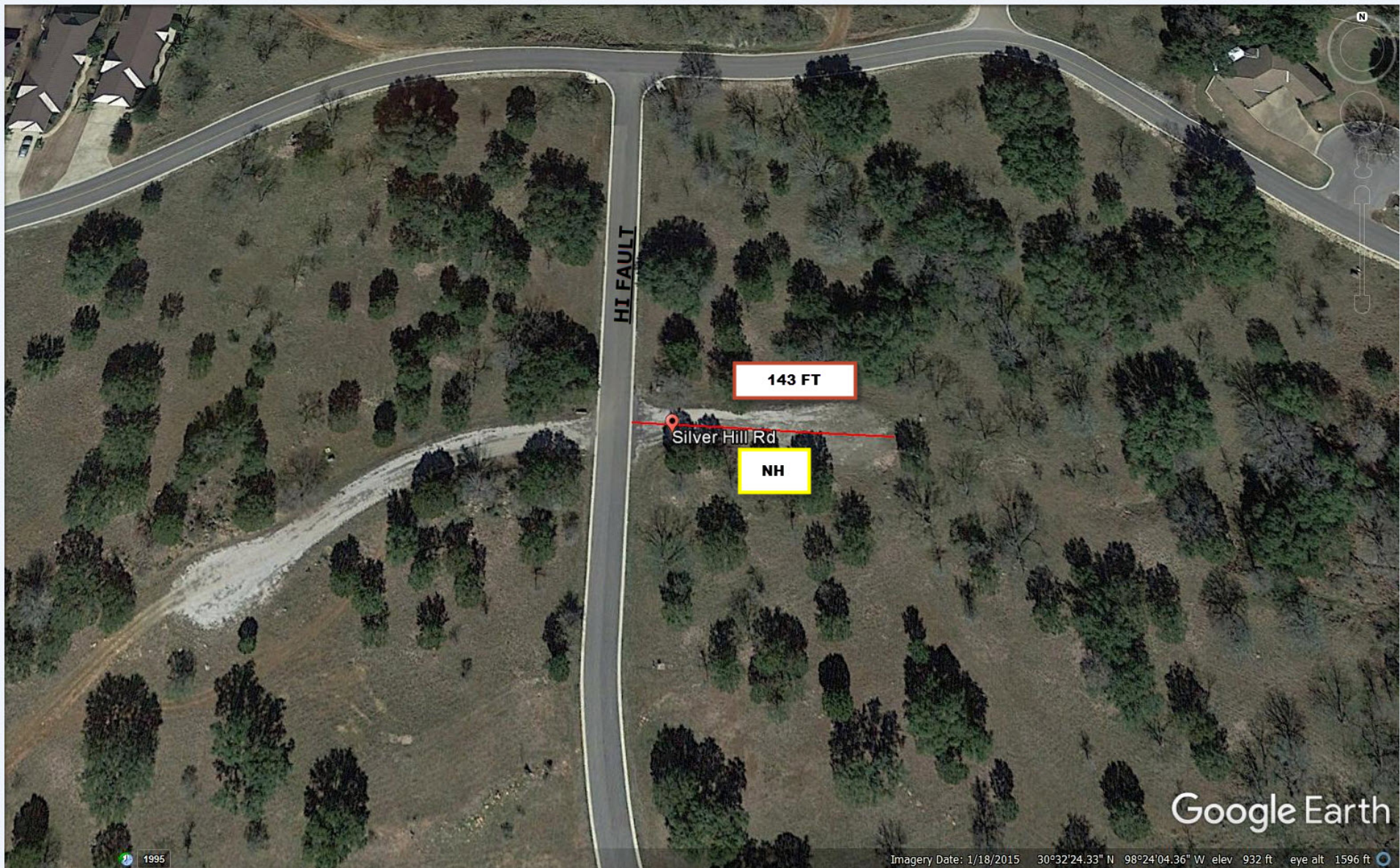
NH

MOUNTAIN LEATHER

Google Earth

Imagery Date: 1/18/2015 30°32'59.77" N 98°24'24.52" W elev 928 ft eye alt 1640 ft



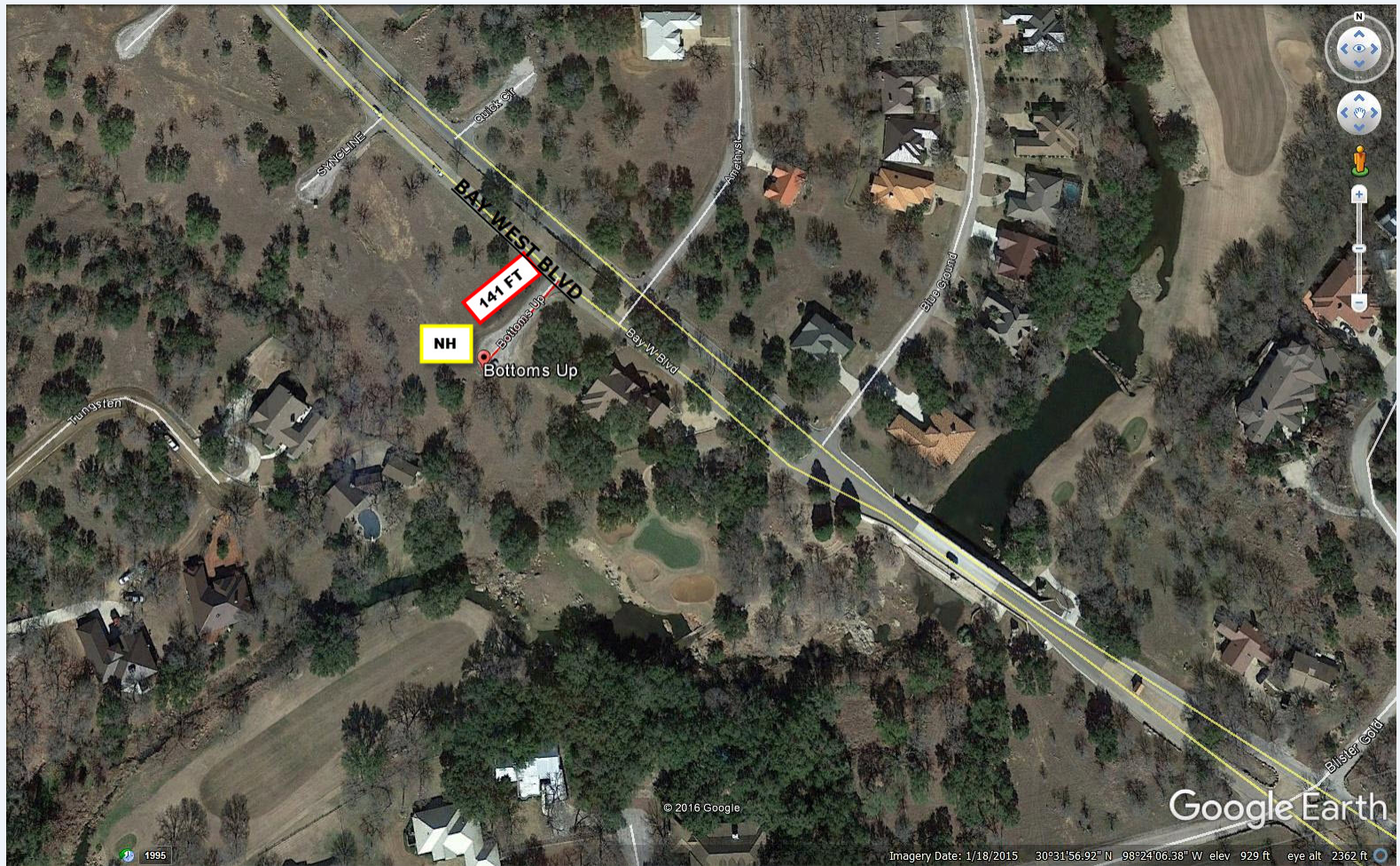


1995

Imagery Date: 1/18/2015 30°32'24.33" N 98°24'04.36" W elev 932 ft eye alt 1596 ft

Google Earth











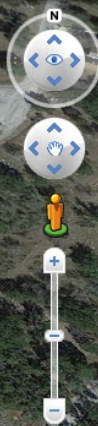


Mountain Dew

Deep Shadows

357 2 Houses

Sharp Rock

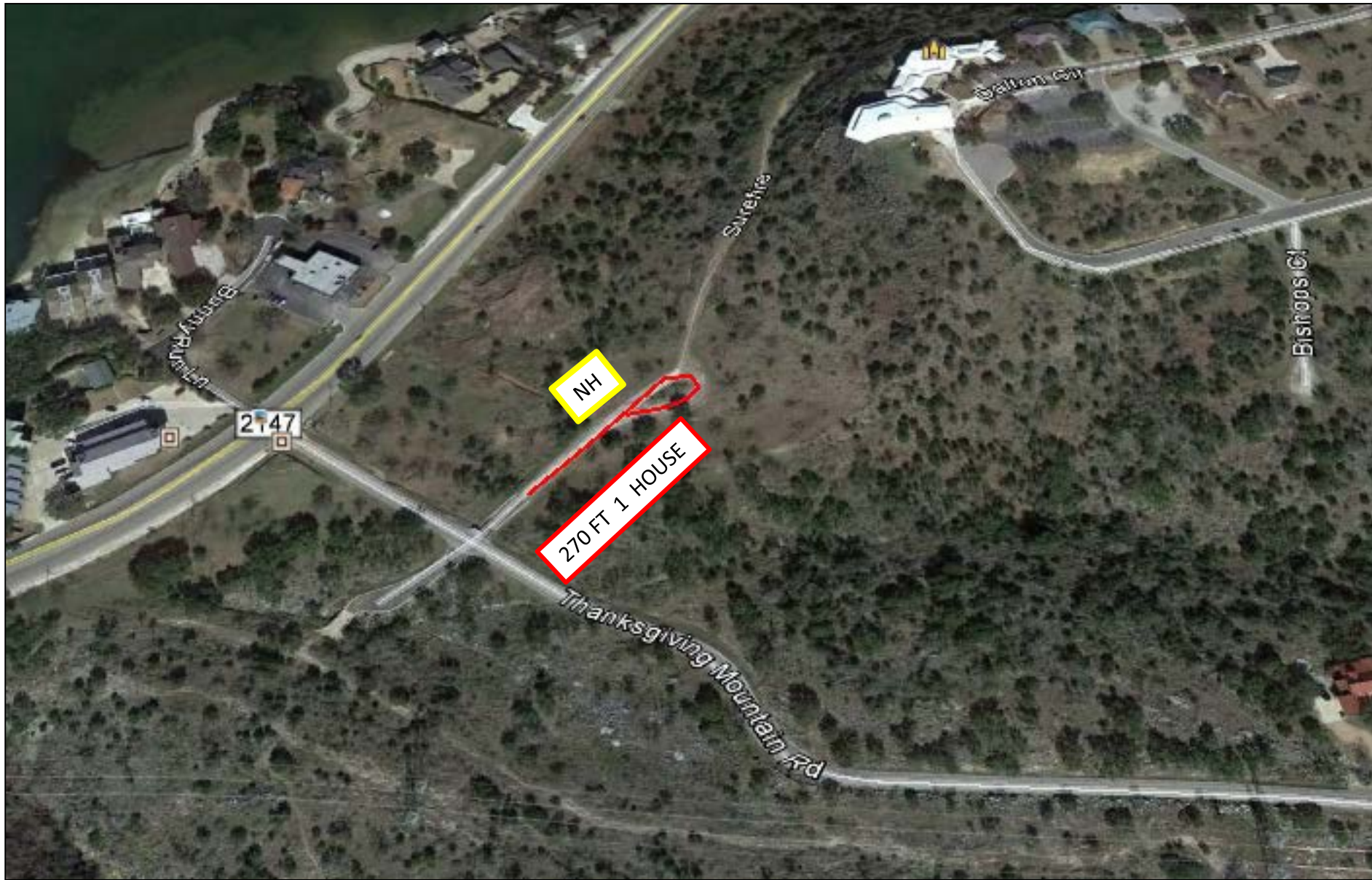












# Sealcoating History 2014 – 2017

Start dates:

3/2014

Small section of Hi Circle North from roundabout down to low water crossing.

Short Circuit south from Hi Circle North to Free Rein.

Free Rein from Horseshoe Bay Blvd. west to Village Parkway.

10/2014

Fairways subdivision

8/2015

Applehead subdivision and a small area of Pecan Creek

4/2016 - 5/2016

Remainder of north of 2147 including around hotel/yacht club

South of 2147 from Clayton Nolen west to 2147

## Sealcoating Capitol Improvement Budget 2017-2019

Fiscal Year	Project Area	Mile	Total Miles	PPM	Total Cost
2017	Fault Line	5.6		55k	308,000
	Apple Head	2.1		55k	115,500
	Bay West Blvd.	<u>3.0</u>		55k	<u>165,000</u>
			<u>10.7</u>		<u>588,500</u>
2018	HSB West	<u>13.0</u>		55k	<u>715,000</u>
			<u>13</u>		<u>715,000</u>
2019	Highlands	7.7		55k	423,500
	HSB South	<u>7.0</u>		55k	<u>385,000</u>
			<u>14.7</u>		<u>808,500</u>
<b>TOTALS</b>			<b>51.3</b>		<b>\$2,821,500</b>
					<b>2,821,500</b>



## **CITY OF HORSESHOE BAY**

**JULY 17, 2017**

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**To: Mayor and City Council**  
**Thru: Stan R. Farmer, City Manager**  
**From: Kristen Woolley, Finance Director**  
**Re: Debt Funding Discussion – Jennifer Douglas**

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**The City's Financial Advisor, Jennifer Douglas of Specialized Finance, has a presentation for Council to discuss funding options for the proposed FY 18 capital projects in both the Capital Improvement Fund (street projects) and Utility Fund.**

**Enclosure: 2018 Bond Discussion PowerPoint Presentation**

# City of Horseshoe Bay, TX

**2018 Bond Discussion**

**July 17, 2017**



**SPECIALIZED PUBLIC FINANCE INC.**  
FINANCIAL ADVISORY SERVICES

# Option 1 – Sources & Uses

## City of Horseshoe Bay, Texas

\$4,210,000 Combination Tax & Revenue Certificates of Obligation, Series 2018

Preliminary as of July 10, 2017

## Total Issue Sources And Uses

Dated 05/01/2018 | Delivered 05/01/2018

	Utility Fund	General Fund	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$2,025,000.00	\$2,185,000.00	\$4,210,000.00
<b>Total Sources</b>	<b>\$2,025,000.00</b>	<b>\$2,185,000.00</b>	<b>\$4,210,000.00</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (0.750%)	15,187.50	16,387.50	31,575.00
Costs of Issuance	36,074.82	38,925.18	75,000.00
Deposit to Project Construction Fund	1,969,000.00	2,133,500.00	4,102,500.00
Rounding Amount	4,737.68	(3,812.68)	925.00
<b>Total Uses</b>	<b>\$2,025,000.00</b>	<b>\$2,185,000.00</b>	<b>\$4,210,000.00</b>



# Option 1 – Utility Debt Payment

\$2,025,000 Combination Tax & Revenue Certificates of Obligation, Series 2018

UTILITY FUND PURPOSE

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	45,000.00	4.000%	103,500.00	148,500.00
09/30/2020	70,000.00	4.000%	77,800.00	147,800.00
09/30/2021	75,000.00	4.000%	74,900.00	149,900.00
09/30/2022	75,000.00	4.000%	71,900.00	146,900.00
09/30/2023	80,000.00	4.000%	68,800.00	148,800.00
09/30/2024	85,000.00	4.000%	65,500.00	150,500.00
09/30/2025	85,000.00	4.000%	62,100.00	147,100.00
09/30/2026	90,000.00	4.000%	58,600.00	148,600.00
09/30/2027	95,000.00	4.000%	54,900.00	149,900.00
09/30/2028	100,000.00	4.000%	51,000.00	151,000.00
09/30/2029	100,000.00	4.000%	47,000.00	147,000.00
09/30/2030	105,000.00	4.000%	42,900.00	147,900.00
09/30/2031	110,000.00	4.000%	38,600.00	148,600.00
09/30/2032	115,000.00	4.000%	34,100.00	149,100.00
09/30/2033	120,000.00	4.000%	29,400.00	149,400.00
09/30/2034	125,000.00	4.000%	24,500.00	149,500.00
09/30/2035	130,000.00	4.000%	19,400.00	149,400.00
09/30/2036	135,000.00	4.000%	14,100.00	149,100.00
09/30/2037	140,000.00	4.000%	8,600.00	148,600.00
09/30/2038	145,000.00	4.000%	2,900.00	147,900.00
<b>Total</b>	<b>\$2,025,000.00</b>	<b>-</b>	<b>\$950,500.00</b>	<b>\$2,975,500.00</b>



# Option 1 – General Fund Payment

\$2,185,000 Combination Tax & Revenue Certificates of Obligation, Series 2018

GENERAL FUND PURPOSE

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	50,000.00	4.000%	111,648.89	161,648.89
09/30/2020	75,000.00	4.000%	83,900.00	158,900.00
09/30/2021	80,000.00	4.000%	80,800.00	160,800.00
09/30/2022	85,000.00	4.000%	77,500.00	162,500.00
09/30/2023	85,000.00	4.000%	74,100.00	159,100.00
09/30/2024	90,000.00	4.000%	70,600.00	160,600.00
09/30/2025	95,000.00	4.000%	66,900.00	161,900.00
09/30/2026	95,000.00	4.000%	63,100.00	158,100.00
09/30/2027	100,000.00	4.000%	59,200.00	159,200.00
09/30/2028	105,000.00	4.000%	55,100.00	160,100.00
09/30/2029	110,000.00	4.000%	50,800.00	160,800.00
09/30/2030	115,000.00	4.000%	46,300.00	161,300.00
09/30/2031	120,000.00	4.000%	41,600.00	161,600.00
09/30/2032	125,000.00	4.000%	36,700.00	161,700.00
09/30/2033	130,000.00	4.000%	31,600.00	161,600.00
09/30/2034	135,000.00	4.000%	26,300.00	161,300.00
09/30/2035	140,000.00	4.000%	20,800.00	160,800.00
09/30/2036	145,000.00	4.000%	15,100.00	160,100.00
09/30/2037	150,000.00	4.000%	9,200.00	159,200.00
09/30/2038	155,000.00	4.000%	3,100.00	158,100.00
<b>Total</b>	<b>\$2,185,000.00</b>	<b>-</b>	<b>\$1,024,348.89</b>	<b>\$3,209,348.89</b>





# Option 2 – Sources & Uses

## City of Horseshoe Bay, Texas

\$2,120,000 Combination Tax & Revenue Certificates of Obligation, Series 2018

Preliminary as of July 10, 2017

## Total Issue Sources And Uses

Dated 05/01/2018 | Delivered 05/01/2018

	Utility Fund	General Fund	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$1,020,000.00	\$1,100,000.00	\$2,120,000.00
<b>Total Sources</b>	<b>\$1,020,000.00</b>	<b>\$1,100,000.00</b>	<b>\$2,120,000.00</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (0.750%)	7,650.00	8,250.00	15,900.00
Costs of Issuance	24,056.60	25,943.40	50,000.00
Deposit to Project Construction Fund	984,500.00	1,066,750.00	2,051,250.00
Rounding Amount	3,793.40	(943.40)	2,850.00
<b>Total Uses</b>	<b>\$1,020,000.00</b>	<b>\$1,100,000.00</b>	<b>\$2,120,000.00</b>

# Option 2 – Utility Debt Payment

\$1,020,000 Combination Tax & Revenue Certificates of Obligation, Series 2018

UTILITY FUND PURPOSE

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	25,000.00	4.000%	52,086.67	77,086.67
09/30/2020	35,000.00	4.000%	39,100.00	74,100.00
09/30/2021	35,000.00	4.000%	37,700.00	72,700.00
09/30/2022	40,000.00	4.000%	36,200.00	76,200.00
09/30/2023	40,000.00	4.000%	34,600.00	74,600.00
09/30/2024	40,000.00	4.000%	33,000.00	73,000.00
09/30/2025	45,000.00	4.000%	31,300.00	76,300.00
09/30/2026	45,000.00	4.000%	29,500.00	74,500.00
09/30/2027	45,000.00	4.000%	27,700.00	72,700.00
09/30/2028	50,000.00	4.000%	25,800.00	75,800.00
09/30/2029	50,000.00	4.000%	23,800.00	73,800.00
09/30/2030	55,000.00	4.000%	21,700.00	76,700.00
09/30/2031	55,000.00	4.000%	19,500.00	74,500.00
09/30/2032	60,000.00	4.000%	17,200.00	77,200.00
09/30/2033	60,000.00	4.000%	14,800.00	74,800.00
09/30/2034	60,000.00	4.000%	12,400.00	72,400.00
09/30/2035	65,000.00	4.000%	9,900.00	74,900.00
09/30/2036	70,000.00	4.000%	7,200.00	77,200.00
09/30/2037	70,000.00	4.000%	4,400.00	74,400.00
09/30/2038	75,000.00	4.000%	1,500.00	76,500.00
<b>Total</b>	<b>\$1,020,000.00</b>	<b>-</b>	<b>\$479,386.67</b>	<b>\$1,499,386.67</b>

# Option 2 – General Fund Payment

\$1,100,000 Combination Tax & Revenue Certificates of Obligation, Series 2018

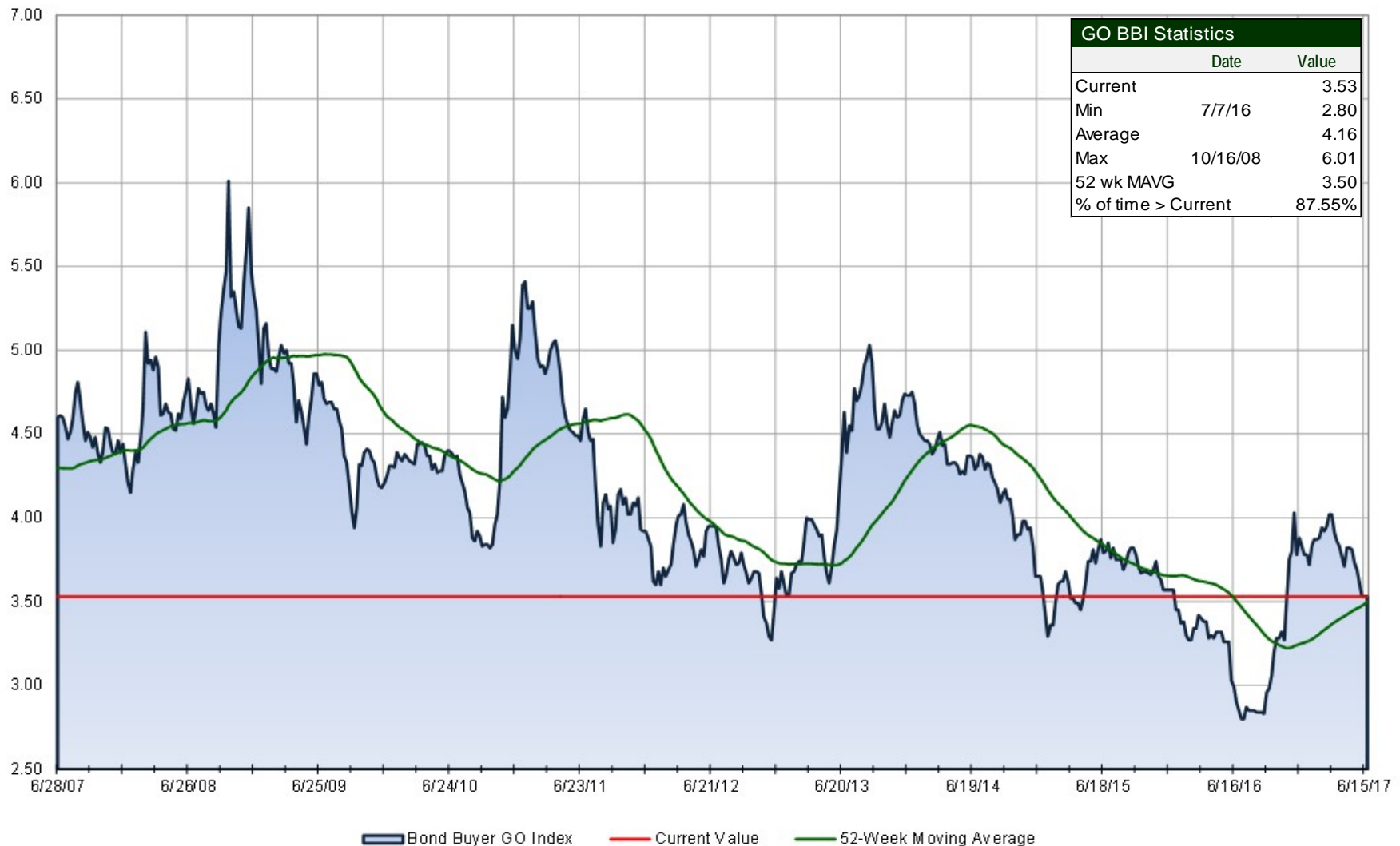
GENERAL FUND PURPOSE

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	25,000.00	4.000%	56,211.11	81,211.11
09/30/2020	40,000.00	4.000%	42,200.00	82,200.00
09/30/2021	40,000.00	4.000%	40,600.00	80,600.00
09/30/2022	40,000.00	4.000%	39,000.00	79,000.00
09/30/2023	45,000.00	4.000%	37,300.00	82,300.00
09/30/2024	45,000.00	4.000%	35,500.00	80,500.00
09/30/2025	45,000.00	4.000%	33,700.00	78,700.00
09/30/2026	50,000.00	4.000%	31,800.00	81,800.00
09/30/2027	50,000.00	4.000%	29,800.00	79,800.00
09/30/2028	55,000.00	4.000%	27,700.00	82,700.00
09/30/2029	55,000.00	4.000%	25,500.00	80,500.00
09/30/2030	60,000.00	4.000%	23,200.00	83,200.00
09/30/2031	60,000.00	4.000%	20,800.00	80,800.00
09/30/2032	60,000.00	4.000%	18,400.00	78,400.00
09/30/2033	65,000.00	4.000%	15,900.00	80,900.00
09/30/2034	65,000.00	4.000%	13,300.00	78,300.00
09/30/2035	70,000.00	4.000%	10,600.00	80,600.00
09/30/2036	75,000.00	4.000%	7,700.00	82,700.00
09/30/2037	75,000.00	4.000%	4,700.00	79,700.00
09/30/2038	80,000.00	4.000%	1,600.00	81,600.00
<b>Total</b>	<b>\$1,100,000.00</b>	<b>-</b>	<b>\$515,511.11</b>	<b>\$1,615,511.11</b>



# Ten-Year History of The Bond Buyer's 20 Bond G.O. Index



# Debt Issuance Timing

- Our numbers assume issuing on May 1, 2018.
  - We have no idea where interest rates will be in the future (although the Fed has already indicated the likelihood of one additional rate increase this year and more next year), but we do know that rates have been higher 87.55% of the time (over the last 10 years.)
  - The City is legally not allowed to levy a tax for an anticipated debt payment.
  - Debt buyers do not want to wait a full year on their first bond payment.
  - From a tax rate timing perspective (for the tax-supported piece) it makes the most sense to sell shortly before you set your FY 19 tax rate.

## Meeting Schedule

- July 17:**           **First Budget Workshop – 9:00 a.m.**  
1. Review FY 2018 Draft Budget  
2. Propose 2017 Tax Rate
- August 14:**       **Deadline for City Manager to file a Proposed Budget with City Secretary**  
*(not less than 30-days prior to time the City Council passes the tax levy ordinance for the current fiscal year (Sept. 19). Tex LGC §102.005)*
- August 29:**       **Second Budget Workshop – 9:00 a.m. (City Council shall call a public hearing on the proposed budget on a date at least 15 days after the date of filing with the City Secretary (Aug 14) and prior to the date the CC will pass the tax levy ordinance, Tex LGC §102.006)**  
1. Review FY 2018 Proposed Budget
- August 29:**       **Regular City Council Meeting – 3:00 p.m.**  
1. First Public Hearing on Proposed Tax Rate  
2. Schedule and Announce Second Public Hearing on Proposed Tax Rate  
3. Schedule and Announce Meeting to Adopt Tax Rate (September 19)  
4. Schedule and Announce Public Hearing for FY 2018 Budget (September 19)
- September 5:**     **Third Budget Workshop – 9:00 a.m.**  
1. Second Public Hearing on Proposed Tax Rate  
2. Review FY 2018 Proposed Budget (if needed)
- September 19:**   **Regular City Council Meeting – 3:00 p.m.**  
1. Public Hearing on the Proposed Budget  
2. Adopt FY 2018 Budget  
3. Adopt 2017 Tax Rate  
4. Adopt FY 2018 Rate Schedule



## CITY OF HORSESHOE BAY

JULY 17, 2017

**To:** Mayor and City Council  
**From:** Stan R. Farmer, City Manager  
**Re:** Merit Compensation Adjustments

Each year during the first Budget Workshop past Councils have chosen an overall merit adjustment level for the staff to then make decisions on pay adjustments for January 1 and for overall budget purposes. Last year the council chose \$125,000. This number is not the impact on the next FY as the merit increases to do not take effect until 3 months into the new FY post January 1.

Based on the overall economy and public comments by other governmental entities, it is my conclusion that merit raises this year will be relatively low. It also seems to me that our constituents have similar expectations. I recommend that the total merit adjustments approximate 3% of our present total compensation. This would seem to be fair to our employees and responsible to our constituents.

The merit adjustment at January 1, 2013 was \$100,000 or 2.65%  
The merit adjustment at January 1, 2014 was \$100,000 or 2.65%  
The merit adjustment at January 1, 2015 was \$103,000 or 2.62%  
The merit adjustment at January 1, 2016 was \$107,000 or 2.66%  
The merit adjustment at January 1, 2017 was \$125,000 or 2.92%

The dollar figures below represent the 12-month budget impact starting January 1, 2018, followed by the impact only on the 9 months in the FY 2018 budget.

The data are: 2.5% = \$112,750/\$84,750; 2.75% = \$124,000/\$93,000; 3% = \$135,500/\$101,500

Based on the decision regarding the amount of the total merit adjustment, the proposed budget will be adjusted for the City Council's review at the August 29, 2017 workshop.

Enclosures: None





## CITY OF HORSESHOE BAY

JULY 17, 2017

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**To:** Mayor and City Council  
**Thru:** Stan R. Farmer, City Manager  
**From:** Kristen Woolley, Finance Director  
**Re:** Propose Tax Rate

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The City has received preliminary tax information from the Llano and Burnet Appraisal Districts. The combined preliminary taxable value for Llano and Burnet counties as of July 5, 2017, for the 2017 tax year is \$1,931,064,126. This value may change during the appraisal appeal process this summer. Certified taxable valuations are expected from both counties by July 25, 2017.

Once approved, the proposed tax rate may be decreased but may not be increased prior to the tax rate adoption in September. Therefore, staff recommends that Council approve the maximum tax rate that would be considered for Fiscal Year 2017-2018. The suggested proposed tax rate is \$0.2600 per \$100 taxable valuation.

The current tax rate for Fiscal Year 2016-2017 is \$0.2600 per \$100 taxable valuation.

**Enclosure: Tax Table**

TAX YEAR	TAX RATES			LLANO COUNTY	BURNET COUNTY	TOTAL	LEVY @ 100%	LEVY @ 98.5%	M & O @ 98.5%	I & S @ 98.5%
	M & O			APPROVED TAX ROLL	APPROVED TAX ROLL	APPROVED TAX ROLL				
				ASSESSED VALUE	ASSESSED VALUE	ASSESSED VALUE				
2006	0.5000									
2007	0.4000			\$1,251,273,964		\$1,251,273,964	\$5,005,096	\$4,930,019		
2008	0.3500			\$1,441,168,934		\$1,441,168,934	\$5,044,091	\$4,968,430		
2009	0.3300			\$1,588,249,545		\$1,588,249,545	\$5,241,223	\$5,162,605		
2010	0.2500	0.2220	0.0280	\$1,412,000,000	\$171,000,000	\$1,561,996,162	\$3,530,000	\$3,846,416	\$3,415,617	\$430,799
2011	0.2500	0.2220	0.0280	\$1,374,533,707	\$173,407,475	\$1,547,941,182	\$3,436,334	\$3,811,805	\$3,384,883	\$426,922
2012	0.2500	0.2220	0.0280	\$1,343,758,031	\$183,355,207	\$1,527,113,238	\$3,359,395	\$3,760,516	\$3,339,339	\$421,178
2013	0.2500	0.2220	0.0280	\$1,384,324,964	\$186,946,922	\$1,571,271,886	\$3,928,180	\$3,869,257	\$3,435,900	\$433,357
2014	0.2500	0.2220	0.0280	\$1,437,323,807	\$185,403,017	\$1,622,726,824	\$4,056,817	\$3,995,965	\$3,548,417	\$447,548
2015	0.2500	0.2220	0.0280	\$1,494,521,653	\$196,022,157	\$1,690,543,810	\$4,226,360	\$4,162,964	\$3,696,712	\$466,252
2016	0.2600	0.2186	0.0414	\$1,601,593,349	\$199,955,517	\$1,801,548,866	\$4,684,027	\$4,613,767	\$3,879,113	\$734,654
*2017	0.2600	0.2200	0.0400	\$1,730,548,816	\$200,515,310	\$1,931,064,126	\$5,020,767	\$4,945,455	\$4,184,616	\$760,839

\*PRELIMINARY VALUES AS OF 7/5/17